

Intellectual Property Strategic Program 2014

July, 2014

Intellectual Property Strategy Headquarters

Intellectual Property Strategic Program 2014

Contents

Introduction	2
---------------------	---

Important measures	
---------------------------	--

First pillar: Building up a global intellectual property system for enhancing industrial competitiveness	10
---	----

1. Realization of the world's fastest and highest quality patent examinations as well as promotion of internationalization of the intellectual property system 10
2. Fundamental review of the employee invention system 17
3. Comprehensively strengthening the protection of trade secrets 23
4. Efforts for international standardization and certification 28
5. Enhancing the functionality of industry-academia-government collaboration 32
6. Preparation of the place for development of human resources for intellectual property under the initiative of the government 37

Second pillar: Support for enhancing intellectual property management by SMEs and venture companies	42
--	----

1. Support for overseas intellectual property activities by SMEs, venture companies, and universities 42

Third pillar: Improving the environment for adjusting to the digital network society	51
---	----

1. Improvement of infrastructure of legal systems for adjusting to development of the digital network 51
2. Acceleration of development towards promoting the use of archives 55

Fourth pillar: Strengthening soft power focusing on the content industry	59
---	----

1. Promotion of overseas development of content and cooperation with incoming business 59
2. Countermeasures against counterfeits and pirated goods 68
3. Human resources development in the content industry 72

Appendix: Progress schedule chart for Intellectual Property Strategic Program 2014

Introduction

On June 7, 2013, the Intellectual Property Strategy Headquarters formulated the Intellectual Property Policy Vision (hereinafter referred to as the “Vision”). On the same day, the Cabinet adopted the essence of the Vision as the Basic Policy Concerning Intellectual Property Policy, and parts of its measures were reflected in the Japan Revitalization Strategy, which is one of the three pillars of the current administration’s economic policy. Therefore, intellectual property policy is regarded as one of the most important efforts for enhancing Japan’s industrial competitiveness.

In the Basic Policy Concerning Intellectual Property Policy, since the Intellectual Property Strategy Headquarters has celebrated the 10th anniversary of its establishment, in order to review the efforts of the past and to build up the world’s most advanced intellectual property system, the following three goals have been set.

1. Building up an intellectual property system attracting users and innovation investment from overseas.
2. Making Japan’s intellectual property system become a standard in emerging nations in Asia.
3. Continuously producing human resources with creativity and strategic capability for global intellectual property activities.

Towards these goals, with the following four fields as pillars of the policy for the Vision, policy challenges and efforts in the field of intellectual property are organized, looking at medium- and long-term goals approximately ten years into the future.

1. Building up a global intellectual property system for enhancing industrial competitiveness
2. Support for enhancing intellectual property management by SMEs and venture companies
3. Improving the environment for adjusting to the digital network society
4. Strengthening soft power focusing on the content industry

In response, the Intellectual Property Strategy Headquarters decided to convene the Verification, Evaluation, and Planning Committee on October 25, 2013. The Committee, based on the understanding that establishing a PDCA cycle for intellectual property policy is essential, extracted twelve particularly important items from measures included in the Vision and actively conducted verification and evaluation. The present compilation of the

Intellectual Property Strategic Program 2014 has been conducted based on discussions at the Verification, Evaluation, and Planning Committee. For the formulation of future intellectual property strategic programs, by practicing the PDCA cycle with a focus on the discussions at the Committee, the Headquarters also vigorously and steadily promotes each of the measures listed in the Vision.

In light of changes in the economic and social situation related to intellectual property policy, the Committee held discussions from the perspectives of improving and deepening measures in addition to verification and evaluation.

With the globalization of business operations and the deepening of open innovation, the importance of open and closed strategies aiming for the maximization of corporate value by appropriately using patent rights as well as business and technical secrets has permeated throughout the top management of companies, including top executives. However, intensified international disputes regarding intellectual property, large-scale disclosures of trade secrets and outflows of technology, and movements in Economic Partnership Agreements, including the Trans-Pacific Partnership, have greatly attracted the attention of the public. Therefore, the necessity for further promoting intellectual property policy in terms of industrial competitiveness has been perceived.

In addition, the bids for the 2020 Summer Olympics and Paralympics in Tokyo and the registration of Washoku (traditional Japanese cuisine) on the UNESCO Intangible Cultural Heritage list have been decided recently. Since these events are a great opportunity to present Japan's soft power to the world, we must resolutely work on reviewing legal systems related to content and invest heavily in the necessary policy resources.

On the other hand, with the progress of information technology in recent years, situations in which technology and content are closely involved are increasing in considerations of industrial competitiveness. With regard to intellectual property policy, discussions should be advanced while achieving collaborations between science and technology policy, cultural policy, and information technology policy with a broader perspective than traditional classification methods in the field of policy, such as industrial property rights and copyrights.

Under the understanding of the current situation described above, the Committee held discussions about cultivating new challenges and measures. In particular, with regard to organic collaborations among related ministries and organizations by sharing information laterally, as well as the five items for which efforts supporting the government ministries in charge were deemed to be necessary among policy challenges that are difficult to be

promoted by the government ministries individually, discussions were developed in terms of the most important five pillars at the Intellectual Property Strategy Headquarters at task forces held under the Committee. The outline of this is as follows.

1. Fundamental review of the employee invention system

As previously described, how to handle patent rights at companies is an important element for open and closed strategies. Especially regarding employees' inventions for companies, in terms of strengthening of industrial competitiveness, reviewing the current employee invention system, in which inventions belong to the inventors, was included in the Vision.

In response, discussions about ownership of the right to obtain patents related to the employee invention system and how rights to claims for compensation should be exercised have been held, with the Japan Patent Office (JPO) in the lead as the institutional authority. The Intellectual Property Strategy Headquarters obtained opinions from both the top management of companies and first-line researchers as well. In addition, the Headquarters promoted the acceleration of discussions at the institutional authority through encouragement to quantitatively and qualitatively understand the facts, such as data reflecting the understanding of companies and researchers regarding this matter, which become the premises of the discussions.

2. Comprehensively strengthening the protection of trade secrets

How to handle trade secrets at companies is also an important element for open and closed strategies. It has become more important to keep intellectual property, which is a source of a company's competitiveness, in a "black box" inside the company as trade secrets, and to use such secrets separately from patent rights in a strategic way. However, under such circumstances, cases in which trade secrets and technical information have leaked from Japanese companies and become public are increasing. Therefore, with awareness of the need for the united efforts of the public and private sectors about strengthening the protection of such confidential trade secrets as well as technical information, we actively held discussions about matters that should be worked on by the public sector, by the private sector, and by both sectors cooperatively.

3. Support for overseas intellectual property activities by SMEs, venture companies, and universities

Small and medium sized enterprises (SMEs) and venture companies are a source of Japan's industrial competitiveness, and in recent years, companies have appeared which are taking on the challenge of overseas expansion, mainly in emerging nations, in addition to domestic expansion, by taking advantage of their superior technological skills. For overseas expansion, intellectual property management becomes more important for differentiation from competitors using intellectual property, as well as to maintain and strengthen competitiveness. However, the understanding of intellectual property management is inadequate among many SMEs and venture companies, and the reality is that there is an absolute lack of human resources, funds, and information gathering. Therefore, while specifically studying failed cases of companies that carried out overseas expansion, by understanding the issues accurately, vigorous discussions were held about how support activities should be conducted from the aspect of intellectual property for SMEs and venture companies to carry out overseas expansion.

4. Promotion of overseas development of content and cooperation with incoming business

With the aging population and decreasing birth rate in the background, considering the social situation in which the trend of population decrease is inevitable, the domestic content market will become mature sooner or later, and in order to survive, the content industry must industrialize exports to find a way out in foreign countries.

Making a break with the strategy in which content sold within Japan can make money overseas simply by adding translations, full-scale marketing (such as conducting a thorough market analysis by country or by content) must be initiated from the angle of what kinds of content need to be created to be sold successfully overseas. Furthermore, at the stage of the production process in Japan, by smoothly completing licensing procedures such as copyrights in advance with overseas expansion in view, it is necessary to promote the overseas expansion of content and to further expand the base of demand for Japanese content in foreign countries.

The content industry is an industry in which we can anticipate collaborations with peripheral industries, such as products, and ripple effects for other industries, including manufacturing and services, through the establishment of the Japan brand. A variety of support systems and organizations related to the overseas expansion of content, such as Cool Japan Fund Inc. and the Broadcast Program Export Association of Japan (BEAJ), have been established thanks to cooperation between the public and private sectors. In

addition, Tokyo has been selected as the host city for the 2020 Summer Olympics and Paralympics, and the environment is improving and momentum is greatly increasing towards selling Japan's content overseas. By using such momentum, it is necessary to accelerate discussions about reviewing legal systems related to content and investing heavily in policy resources.

As a model case of the international expansion of content, as previously described, discussions were held with a focus on the music industry, because efforts for overseas expansion are an urgent issue for the music industry as a result of the reducing domestic market and changes in the market structure due to the appearance of music distribution businesses. While organizing issues related to the international expansion of the music industry and measures to be taken, means to expand the results horizontally to other content genres were considered as well.

5. Acceleration of development towards promoting the use of archives

Properly accumulating and preparing cultural resources owned by Japan is a contribution to strengthening the intellectual infrastructure that will become the foundation of new industries, the creation of culture, and education.

In addition, effectively dispatching Japan's cultural resources to foreign countries establishes the Japan brand overseas, and has a role in realizing a series of economic effects leading to inbound flows, such as attracting tourists from overseas, that can ultimately be expected. From this perspective, the preparation of archives is required.

However, there are concerns about the loss of some cultural resources, and there is also an issue that continuous archiving is not being realized due to financial constraints. From these standpoints, discussions were held mainly about accumulating and preparing cultural resources, means for establishing effective archives to create a virtuous cycle through utilization, and fields in which archives should be worked on preferentially based on limited policy resources.

With regard to the most important five pillars at the Intellectual Property Strategy Headquarters described above, it is expected that the Intellectual Property Strategy Headquarters will continue to promote related efforts by fully exercising its function as a command post.

The Intellectual Property Strategy Headquarters checks the progress of each of the

measures included in the Vision on a continuous basis and updates action plans for each fiscal year based on the Vision. Furthermore, in the Intellectual Property Strategic Program 2014, which is the action plan for the second year after the formulation of the Vision, with a focus on the most important five pillars at the Intellectual Property Strategy Headquarters as noted above, twelve major policy challenges, including these pillars, will be covered and the development of measures will be further cultivated and accelerated.

First pillar: Building up a global intellectual property system for enhancing industrial competitiveness

1. Realization of the world's fastest and highest quality patent examinations as well as promotion of internationalization of the intellectual property system

(1) Current situation and issues

Efforts towards prompt patent examinations

In securing market superiority by exclusively carrying out innovative inventions, improving the efficiency of research and development by eliminating duplicated research, and so on, settling patent rights early is an important effort for strengthening the competitiveness of Japanese SMEs and venture companies as well as leading companies, which are working on innovations by taking advantage of innovative technology.

From this perspective, expediting and streamlining patent examinations has been one of the most important issues in Japan's intellectual property policy, and the government's goal of setting the period from a request for examination after filing a patent application to the notice of initial examination to eleven months was achieved at the end FY2013.

On the other hand, according to a questionnaire survey by the JPO,¹ regarding expediting patent examinations, there were many opinions saying that users put much value on the period from a request for examination to obtaining the result of a final examination, and thus it is necessary to fully meet such user needs.

What kinds of needs are there regarding timing for examinations?²

¹ FY2012 JPO Report on Research Study about Issues on the Industrial Property Rights System: Research Study on How the Patent System Should Be for Obtaining Rights at an Appropriate Timing.

² Ibid., p. 52.

	No. of opinions	Ratio
There is a need to further speed up the timing for obtaining initial examination results.	92	17.7%
Satisfied with the current timing for obtaining initial examination results.	243	46.6%
There is a need to slow down the timing for obtaining initial examination results.	72	13.8%
There is a need to further speed up the timing for obtaining final examination results.	135	25.9%
Satisfied with the current timing for obtaining final examination results.	186	35.7%
There is a need to slow down the timing for obtaining final examination results.	62	11.9%
Accelerated examinations or super-accelerated examinations are unnecessary.	14	2.7%
No response	17	3.3%
Number of respondents	521	100.0%

Which do users put more value on: the timing for obtaining the results of initial examination or final examination?³

	No. of opinions	Ratio
1. Put more value on timing for obtaining result of initial examination.	108	%
2. Put more value on timing for obtaining result of final examination.	199	38.2%
3. Put value on timing for obtaining results of both initial examination and final examination.	200	38.4%
No response	14	2.7%
Number of respondents	521	100.0%

Efforts for improving the quality of examinations and rights

To appropriately protect innovative technology as patent rights, it is necessary to improve the quality of patent rights. In other words, patent rights must have: strength, so as not to be overturned later on; breadth, proportionate to disclosure of the invention; and usefulness, such that they can be applied for business use.

Generally, setting broad patent rights increases the probability of there being grounds for invalidation. Therefore, in order to have both strength and breadth, patent examinations need to be performed with fairness, transparency, and coherence in accordance with guidelines (such as treaties, laws and regulations, and examination guidelines) after fully conducting domestic and international prior art searches. In addition, in order for patent rights to have usefulness, it is necessary to acquire rights in the light of a business strategy.

While working on granting strong, broad, and useful patent rights, efforts should be put into strengthening the patent examination service, which is conscious of the current

³ Ibid., p. 53.

conditions of users (including SMEs and venture companies as well as universities), and in broadening the base of patenting technology.

Efforts for the internationalization of the intellectual property system

To support Japanese companies' overseas business expansion in the aspect of intellectual property, it is necessary to prepare an intellectual property system in emerging nations, make the Japanese intellectual property system popular, and make it become established in emerging nations. Also, it is essential to release the JPO's high-quality examination results as the first in the world, and to promote the use of these results for examinations overseas.

To do so, in addition to promoting harmonization of examination practices with foreign countries through medium- and long-term dispatches of examiners, it is necessary to quickly grant strong, broad, and useful patent rights in domestic examinations.

As described above, retaining and securing examiners remains as an important issue as well, in order to realize the world's fastest and highest-quality patent examinations, and to internationalize Japan's intellectual property system.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with further shortening of the period to initial examination, the Government of Japan will shorten the period to acquire rights by half, which will be 14 months on average, over the next ten years. Also, the Government of Japan will promote efforts for improving patent examinations for higher quality through introducing an objective quality control system by outside experts, and will realize an intellectual property system in which, if users obtain patents in Japan, their examination results are accepted by overseas examinations, allowing users to promptly obtain strong rights in foreign countries as well. In addition, as part of accelerating the globalization of Japan's intellectual property system, we should consider Japan conducting initial examinations for international patent applications targeting the United States. To realize these goals, it is necessary to upgrade and strengthen the patent examination system, including securing fixed-term examiners.

With these points in mind, with regard to the realization of the world's fastest and highest-quality patent examinations as well as promotion of the internationalization of the intellectual property system, the following approaches will be promoted by the related

ministries and agencies.

Realizing the world's fastest and highest-quality patent examinations and releasing examination results

- The Government of Japan will shorten the period from filing a request for examination to acquiring the rights to a patent (excluding cases in which the JPO asks applicants for another response due to amendments, etc., by applicants making use of the approved period under the system) to half of the standard of 2012 (within 14 months on average) over the next ten years (by FY2023). Also, the Government of Japan will further shorten the period to notice of initial examination (shortening it from the current average of 11 months to 10 months), and will release high-quality examination results overseas at an early timing through further upgrading and strengthening the JPO's examination system to maintain and improve the quality of patent examinations for granting strong, broad, and useful patent rights (short term and medium term) (Ministry of Economy, Trade and Industry [METI]).
- The Government of Japan will draw up a Manual Pertaining to Quality Control of Patent Examinations (Quality Manual) and practice systematic quality control in accordance with Quality Policy on Patent Examinations, which was prepared in March 2014, and the said Quality Manual. Regarding designs and trademarks, the Government of Japan will draw up a quality policy and a quality manual, and conduct systematic quality control in accordance with these documents (short term and medium term) (METI).

Search system for documents in Chinese and Korean

- Regarding investigations for applications targeting China and South Korea, which account for approximately 50% of approximately 3,180,000 applications for patent and utility models worldwide (2012), in order to enhance convenience and reduce burdens for the intellectual property system's users (including companies), the Government of Japan will accelerate the preparation of a system which allows users to conduct searches using Japanese documents in Chinese and Korean (aiming to start operation of the system in January 2015) (short term) (METI).

Enhancing examination and trial services

- In order to revitalize local intellectual property activities, based on the industrial structure and the specific needs of each area, the Government of Japan will enhance examination and trial services for local companies and universities, such as using on-site interview examinations, local interview proceedings, circuit trials, and

television interviews, as well as short-, medium-, and long-term dispatches of examiners to regions (short term) (METI).

- In order to deliver examiners' intentions in a clearer manner, by reviewing the writing format of notice of reasons for refusal, creating and improving examples, and utilizing interviews, the Government of Japan will deepen communication with applicants (short term) (METI).
- The Government of Japan will review the current patent examination guidelines and formulate user-friendly patent examination guidelines for domestic and overseas users (short term) (METI).

Unifying and simplifying application processes

- With a view to acceding to the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks, which are aiming for unification and simplification of the domestic application processes that differ in each country, the Government of Japan will consider reviewing the domestic application process for patents and trademarks, and approach intellectual property offices in other countries towards international harmonization in terms of design system processes (short term and medium term) (METI, Ministry of Foreign Affairs [MOFA]).

Protecting graphic design with the Design Act

- In order to reduce business operators' burden of clearance, the Government of Japan will advance infrastructure development on the operational side. With this as the basis, the Government of Japan will obtain wide participation from related industries and consider how the protection of design for graphic design should be performed (short term) (METI).

Timely protection of rights responding to business strategies

- In order for strong, broad, and useful patent rights to be available to be granted on a timely basis, the Government of Japan will consider the improvement of a package examination process to meet the need of business strategies, in which patent, design, and trademark applications crossing over multiple fields that are related to the development of a business project can be examined and granted rights in a single batch in accordance with the business development timing. In addition, the Government of Japan will work on further publicizing such an examination process and will promote its use (short term) (METI).

Improving stability of patent rights

- The Government of Japan will further enhance measures that improve the quality of examinations and, based on the results of a research study on the stability of patents, will consider how a system for improving the stability of patent rights should be, such as performing an analysis of actual conditions (short term) (METI, Ministry of Justice [MOJ]).

How rights should be exercised

- In light of a factual investigation on how rights are exercised, and judicial precedents and discussions in Japan and overseas, the Government of Japan will continue to consider the appropriate exercise of rights (short term) (METI).
- The Government of Japan will be actively involved in formulating international rules regarding the limits of injunction demands concerning standard essential patents, or the handling of RAND conditions (reasonable and non-discriminatory terms) (short term) (Ministry of Internal Affairs and Communications [MIC], METI).

How dispute settlement functions should be

- In light of the globalization of intellectual property disputes, the Government of Japan will conduct a study on the whole system for the settlement of intellectual property disputes in foreign countries, including settlement by courts and patent offices, out-of-court conflict resolution, and reconciliation between both parties, and make the results of this study widely available to the public (short term) (MOJ·METI).
- Promoting collaboration and cooperation with emerging nations
- According to the stage of development and needs of emerging nations, the Government of Japan will promote custom-made collaboration and cooperation regarding examinations and trials, including designs and trademarks, such as providing programs for developing human resources for intellectual property activities, conducting short-, medium- and long-term dispatches of examiners or judges, and enhancing releases of examination results and examination guidelines (short term and medium term) (METI).

Expanding targeted countries for initial examination for international applications and promoting use of the system

- In order to further enhance the JPO's presence in releasing examination results globally, the Government of Japan will encourage the expansion of targeted countries for initial examination for international applications in English and will promote the utilization of examinations by overseas users (short term and medium term) (METI).

Improving and expanding operation of the Patent Prosecution Highway

- To make it possible for Japanese companies that carry out overseas expansion to obtain rights at an early timing in various countries, based on users' needs, the Government of Japan will promote standardization of the Patent Prosecution Highway, such as application requirements, and will improve as well as expand the Patent Prosecution Highway (short term) (METI).

Releasing intellectual property related laws and regulations to the world

- In order to prepare a business environment supporting the globalization of the economy and to provide advance information when Japanese companies expand overseas, the Government of Japan will establish a framework that can realize prompt and high-quality translations of Japan's intellectual property related laws and regulations (short term and medium term) (MOJ).
- Continuous enhancement of the ability to globally release major Japanese case precedents related to intellectual property is anticipated.

2. Fundamental review of the employee invention system

(1) Current situation and issues

With regard to the employee invention system, on the basis of the right to obtain patents regarding employee inventions that are developed by employees, which originally belongs to the inventors (employees) in accordance with Article 35 of the Patent Act, employers have an obligation to pay reasonable compensation to inventors when transferring rights from inventors to employers. In response, in the Vision formulated in June 2013, in terms of contributing to strengthening industrial competitiveness, it was shown that the employee invention system should be reviewed fundamentally, for example, in the direction of employee inventions belonging to corporations or being entrusted to an agreement between the parties concerned.

Responding to the Vision, under the initiative of METI (the JPO), as an institutional authority having jurisdiction over the Patent Act, deliberations have been held at study groups by experts or the Intellectual Property Committee under the Industrial Structure Council. To support such deliberations by the institutional authority and to accelerate discussions, the Intellectual Property Strategy Headquarters held a Working Group Pertaining to Intellectual Property for Promoting Innovation hosted by the Minister of State who is in charge of intellectual property strategies. The Headquarters invited prominent experts in each field, including active researchers, as guest speakers, and asked for their opinions regarding how the employee invention system should be to promote innovation. Subsequently, the following three recommendations were compiled as a reference point for reviewing the employee invention system.

Importance of securing incentives for inventions in industry

The first point is that it only becomes possible to design a system in which inventions belong to corporations or are entrusted to an agreement between the parties concerned on the basis that industry puts its full effort into securing incentives for inventions.

Regarding the question of whether or not making inventions belong to corporations would dampen inventors' motivation for research, the opinions received from both companies and researchers at the Working Group were that money or compensation (which are represented by rights to claim for compensation) are not the only source of motivation; in fact, how to improve the research and development environment, such as the treatment, degree of freedom of research, and budget, is absolutely more important.

Also, regarding the question of whether or not foreign companies would withdraw their research and development hubs from Japan if inventions continued to belong to inventors, although the trends of research and development hubs are not solely dependent on the issues of the employee invention system, the companies pointed out that the structure of the current Patent Act, in which the calculation of rights to claim for compensation for employee inventions is ultimately left to the courts to decide, lowers the predictability for companies, and thus this is a negative factor for companies having research and development hubs in Japan. In addition, while the innovation environment for today's enterprises is significantly changing, such as inventions being developed by teams and elements other than research and development being important in contributions to innovation, it was also pointed out that the structure of the Patent Act may not be responding to such changes in the environment.

If the employee invention system is reviewed, such as making inventions belong to corporations or to be entrusted to an agreement between the parties concerned, for industry, it will become increasingly important to fully work on measures and programs for improving the treatment and environment for researchers as well as incentives for research and development by being more creative than previously about these measures and programs, as well as by demonstrating them specifically and clearly. Thus, it is considered that it will only become possible to design a system in which inventions belong to corporations or are entrusted to an agreement between the parties concerned on the basis of industry putting its full effort into securing incentives for inventions.

With regard to this point, the Keidanren (Japan Business Federation) issued a Statement towards Making Employee Inventions Belong to Corporations on February 18, 2014. It stated, "If employee inventions belong to corporations due to legal changes, in order to maintain and improve employees' motivation for inventions, corporations will continue to appropriately conduct evaluation and treatment for inventors' contributions based on the regulations of each corporation."

Necessity for designing a flexible system

The second point is designing a system in which it is possible to flexibly respond with consideration for excellent researchers, including researchers of universities or companies.

At the Working Group, opinions were received from researchers of both companies and universities. They pointed out that the innovation environment, such as funds, facilities,

and support systems, is remarkably different between companies and universities, and at universities, inventions belong to individuals much more than at companies. In addition, they pointed out that even if the inventions belong to corporations, special consideration systems should be provided for excellent researchers, whose research achievements are at the Nobel Prize level, among in-house researchers.

Based on these suggestions, even if inventions belong to corporations, in terms of the maintenance and improvement of Japan's innovation environment, it is important to have a flexible design with consideration for excellent researchers who create inventions having a significant impact on companies and research at universities.

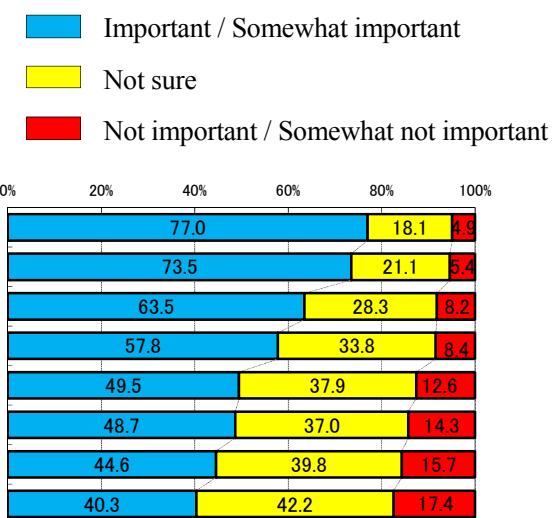
Necessity for collecting basic data

The third point is that it is necessary to collect basic data on researchers' incentives and to have discussions based on such data.

After receiving a suggestion from the Working Group saying that it is necessary to collect basic data, the JPO conducted a large-scale questionnaire survey for companies and researchers. A brief summary of the survey is as follows.

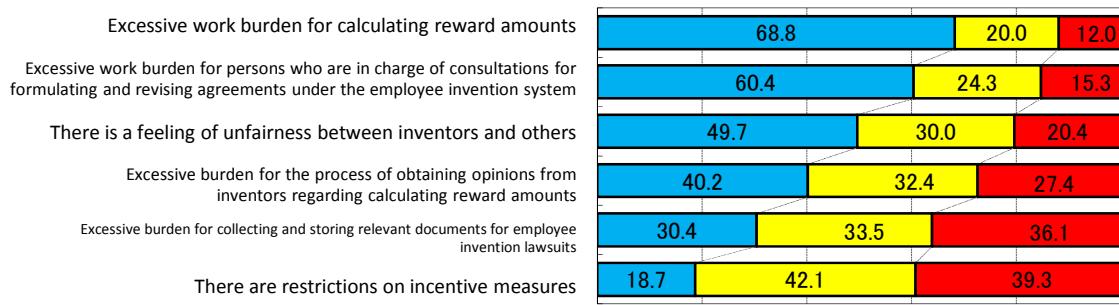
Results of questionnaire survey for companies⁴

Incentives for employee inventions



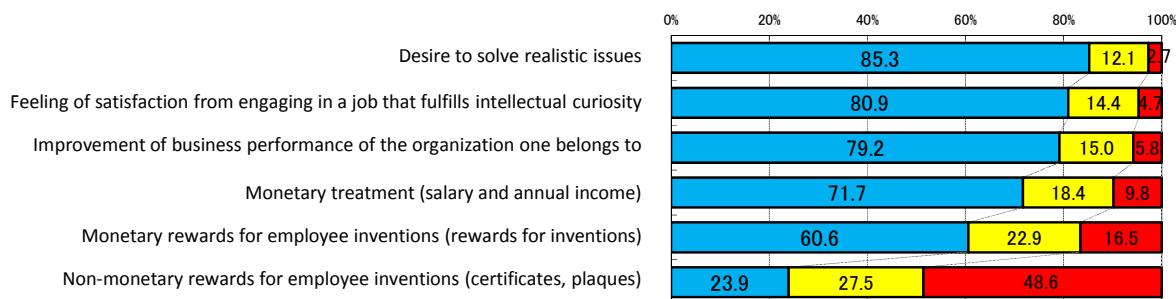
Operations of employee inventions

⁴ Source: The 1st Patent System Subcommittee of the Intellectual Property Committee under the Industrial Structure Council, Handout 4.

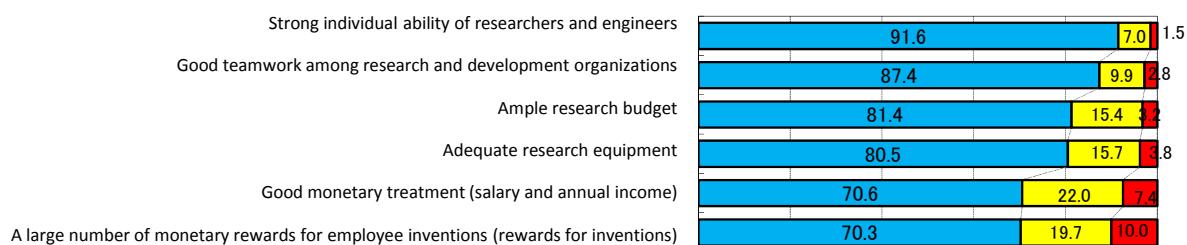


Results of questionnaire survey for researchers (Japanese companies)⁵

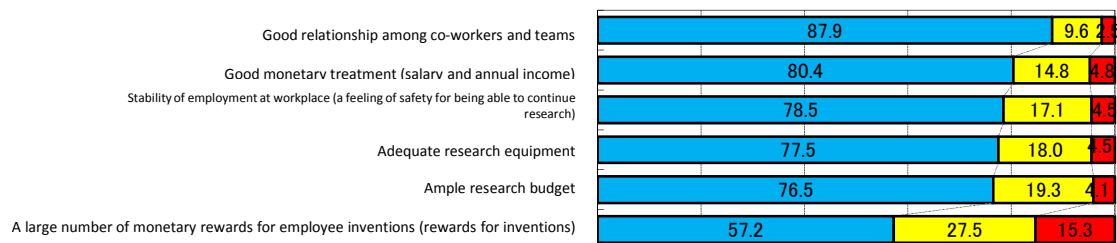
What is important for performing research and development?



What is important for an organization to create outstanding inventions?



What is important to continue working for an organization?



(2) Measures to be taken in the future

With regard to how the employee invention system should be, based on the collected information on the content of the employee invention system overseas and case precedents through a survey conducted by the JPO in FY2013,⁶ as well as the results of questionnaire surveys for companies and researchers, discussions at the Intellectual

⁵ Source: The 1st Patent System Subcommittee of the Intellectual Property Committee under the Industrial Structure Council, Handout 4.

⁶ Source: FY2013 METI JPO Report on Research Study about Issues on the Industrial Property Rights System: Report on Research Study on Issues and Solutions Related to System Operation of Article 35 of the Patent Act at Corporations; Report on Research Study on Outflow of Human Resources, Including Researchers and Engineers, from the Point of View of Systems and Operations on Employee Inventions of Each Country.

Property Committee under the Industrial Structure Council will be accelerated in order to design a system (for example, making inventions belong to corporations or to be entrusted to an agreement between employers and employees) that can realize both securing researchers' incentives for research and development activities and strengthening companies' international competitiveness as well as innovation. Conclusions will be drawn in this year at the earliest (FY2014), including the necessity for taking measures under the legal system (short term) (METI).

3. Comprehensively strengthening the protection of trade secrets

(1) Current situation and issues

As international technology competition is increasingly intensifying, in order to strengthen Japanese companies' competitiveness in the global market, the importance of incorporating open and closed strategies is permeating business strategy, with the goal of not only acquiring patents, but also combining methods of valuing technology to protect and keep it in "black boxes."

Furthermore, with global business expansion, including in emerging nations, the mobility of human resources is increasing internationally. Due to the limits of traditional in-house principles, efforts for open innovation, which organically connects organizations' external and internal knowledge, have been promoted. On the other hand, this increases the necessity for disclosing and sharing technical information among domestic and overseas organizations under proper management and protection, as well as for strictly distinguishing confidential technologies and carefully protecting them.

Under such circumstances, with the development of information technology and the rise of emerging nations in the background, the risk of leakage of Japanese companies' technology is becoming serious. Recently, large-scale disclosures of technical information, such as a major steel manufacturer's manufacturing technology of high-functional steel plates and a leading electronics company's technology of NAND-type flash memory, have come to the surface; these are referred to as symbolic cases of the disclosure of trade secrets.

On the other hand, disclosures of technical information ordinarily do not tend to come into the open, and it is considered that these large-scale disclosures of technology are just the tip of the iceberg. According to the Research Study on Outflow of Technology through Human Resources (a survey consigned to the private sector conducted in FY2012 by METI), among approximately 3,000 responding companies, approximately 70% replied that there is no disclosure of information through people. However, among this 70%, approximately 29% said that they were not taking any measures to prevent disclosure.⁷ This suggests it is possible that a considerable number of companies have not been aware of disclosures of technology.

⁷ METI consigned survey: FY2012 Report on Research Study on Outflows of Technology through Human Resources (separate volume), pp. 50, 68.

Based on the recent changes in the situation regarding policies for protecting trade secrets described above, the Intellectual Property Strategy Headquarters studied disclosures of technical information at the Verification, Evaluation, and Planning Committee while establishing a task force for trade secrets under the Committee, and actively held discussions. What follows is a summary of issues that emerged through the discussions at the task force.

- There are various types of disclosures, such as: intentional disclosure with the aim of financial gain by current or former employees; outflow of information because former employees cannot distinguish confidential information from their own knowledge; inadequate joint venture agreements; excessive provision of information to partner companies due to a lack of understanding; and recipients of information independently planning misappropriation. It is necessary to examine and analyze each of these types from a perspective of what kind of method was used, why disclosure happened, and how disclosure could have been prevented, and the results of such an examination and analysis should be used to improve the efforts of public and private sectors.
- While the outflow of information to overseas competitors through people is gaining prominent attention as a major issue, the reality is that there are more cases of leaks between domestic companies than outflows to overseas competitors, including disclosures from SMEs to large enterprises. Regardless of whether outflows of information occur inside or outside Japan, it is necessary to spread and thoroughly conduct measures towards the proper management and protection of trade secrets in Japanese industrial society while paying attention to securing the mobility of human resources.
- Looking at the actual status of the management of trade secrets at companies, although some companies are taking advanced measures, the percentage of companies that conduct classification of all confidential information and incorporate measures into their daily affairs is low, and there is still a difference in awareness between companies. In addition, the management level varies greatly among companies, and there are quite a few issues from the managerial side of companies as well. In particular, it is necessary to strengthen measures towards increasing the management level of trade secrets among SMEs.
- It is thought that there are many cases in which companies are not aware of the fact or

possibility of disclosures in the first place, and when they notice a disclosure, a considerable period of time has already passed and the evidence has disappeared. The percentage of companies that responded with a criminal complaint or civil suit when a disclosure occurred remains low, and this indicates the present conditions are such that deterrents and civil remedies due to criminal charges based on the law do not necessarily function effectively. After analyzing these factors and shedding light on actual conditions, it is necessary to consider responses by the public and private sectors towards early detection of disclosures and prompt responses after leaks.

(2) Measures to be taken in the future

Thus far, with regard to strengthening the protection of trade secrets, criminal and civil provisions for infringements of trade secrets have been upgraded thanks to a number of revisions of the Unfair Competition Prevention Act in terms of the legal system. In addition, with the upgrading of the Trade Secret Management Guidelines and a number of its revisions, support for improving the private sector's management level of protecting trade secrets has been provided as well.

On the other hand, in order to solve issues that were pointed out at the task force for trade secrets, it is necessary to fundamentally strengthen measures by the nation as a whole.

In other words:

- Sending out the message of the national position, both domestically and internationally, that Japan definitely does not allow any illegal acquisition or use of trade secrets, such as technical information.
- Building a society in which unauthorized disclosure is not worthwhile, by continuing to make it clear that the reality is that persons who engage in the illegal acquisition or use of trade secrets must face criminal charges and companies that cause damages must provide compensation.

These efforts for preventing the disclosure of trade secrets do not necessarily mean that either the private or public sector should respond first. From the three perspectives of improving companies' management level of secrets, deterrence by criminal charges, and enhancing civil remedies, it is necessary to advance efforts powerfully under the concept of promptly implementing feasible measures. These consist of three comprehensive efforts: first, reviewing the nation's support and legal systems for companies; second, efforts by companies, such as establishing a management system and cooperating with investigating authorities in times of emergency; and third, collaboration between the public and private sectors for further strengthening protection of trade secrets through both

sectors working together.

Based on the concept described above, with regard to strengthening the protection of trade secrets, the following approaches will be promoted by the related ministries and agencies.

Reviewing legislation to protect trade secrets

- In light of the actual conditions of information outflows and issues in Japan, in order to realize the upgrading of civil provisions that can achieve criminal provisions with a further effective deterrent and conduct effective remedies (compensation for damage and injunctions), the Government of Japan will promote a review of the legal system from prioritized matters considering an appropriate balance between the content and speed of realization. In terms of matters that can be considered to the extent of intellectual property-related legislation (for example: for criminal provisions, making it possible to prosecute an offence without a complaint by the victim and raising the limit of penalty charges; for civil provisions, reducing the burden of proof; and in other areas, introducing border controls), the Government of Japan will quickly advance considerations through promptly reflecting the needs or realities in industry with a view to submitting a bill to the next regular session of the Diet (short and medium term) (METI, Ministry of Finance [MOF], MOJ).

Revising the Trade Secret Management Guidelines

- Keeping in mind that it has been pointed out that the recognition of the ability to manage secrets is too strict in some case precedents and the predictability of recognition should be improved, the Government of Japan will revise the description in the Trade Secret Management Guidelines in order to make it easy to understand for business operators with regard to the management methods to be legally recognized as trade secrets.
- In recent years, based on the diversification and sophistication of methods of disclosure, in order to promote raising the management level of companies, the Government of Japan will further enhance the content of the Trade Secret Management Guidelines, such as reflecting the latest methods of disclosure, overseas case examples, and best practices in the guidelines.
- In order for SMEs to be able to take action immediately, the Government of Japan will make the structure and descriptions of the guidelines practical and easy to understand, such as writing about prompt detection after disclosure, securing evidence in anticipation of handling lawsuits, and prompt cooperation with investigating

authorities.

- Based on the policies described above, the Government of Japan will begin discussions immediately with the aim of revising the Trade Secret Management Guidelines within 2014 (short term) (METI).

Preparing a one-stop support system for the management of trade secrets

- With the increased demand for the promotion of open and closed strategies at companies as well as comprehensive strategies for the protection and use of intellectual property, such as the management of trade secrets, in order to provide one-stop support to mainly SMEs regarding these measures, while securing human resources for instruction on open and closed strategies, the Government of Japan will establish a system for conducting publicity and educational activities, such as consultation services, issuing certificates of original documents, and holding seminars. Regarding establishing a consultation system, the system will have a structure that cooperates with Comprehensive IP Support Counters nationwide, and it will provide consultations on how to respond to matters where there are doubts about disclosure of trade secrets, including cooperation with investigating authorities. Aiming to establish such a system, the Government of Japan will discuss matters with a plan of sequentially putting feasible efforts into practice within 2014 (short term and medium term) (METI).

Sharing information between the private and public sectors

- In order to advance understanding of the actual conditions of industry as a whole, extracting issues and sharing information, and educational activities for business owners, while keeping in mind that it is necessary to make information anonymous and generalized to protect companies providing information from suffering unreasonable losses, and through the use of the one-stop support system described above, the Government of Japan will encourage cooperation between the private and public sectors to make it possible to share information on domestic and overseas cases of disclosure, and measures such as best practices. The Government of Japan will also strive for active sharing of information with companies with regard to the actual conditions of disclosure and measures taken by the private and public sectors in foreign countries (short term) (METI).

Cooperation with investigating authorities

- In order to strengthen the deterrent effect of criminal charges, to promote management in which companies are fully cooperative with investigating authorities, the

Government of Japan will immediately discuss how cooperation between Japanese companies and investigating authorities should be performed, and will advance efforts with reference to cases in foreign countries (short term) (METI, National Police Agency [NPA]).

Improving the level of efforts to protect trade secrets in industry

- With awareness that improving the effectiveness of the review of the system will not be achieved without companies' efforts to improve their level of effort, the Government of Japan will work on supporting companies' efforts to improve their level through revision and improving awareness of the Trade Secret Management Guidelines, as well as the one-stop consultation service and publicity activities described above (short term) (METI).

4. Efforts for international standardization and certification

(1) Current situation and issues

In order to connect Japan's technological strengths to the success of business, it is important to advance international standardization after consideration by each corporation of their separation from and combination with acquiring rights such as patents, and keeping secrets as trade secrets, and then evaluating open and closed intellectual property strategies in a strategic way.

With regard to international standardization strategies, the Intellectual Property Strategy Headquarters formulated the Action Plan for International Standardization Strategies in seven specific strategic fields (the final revision was made in March 2012). Based on this plan, efforts are currently being made in each field to promptly and accurately lead international standardization through cooperation between the private and public sectors.

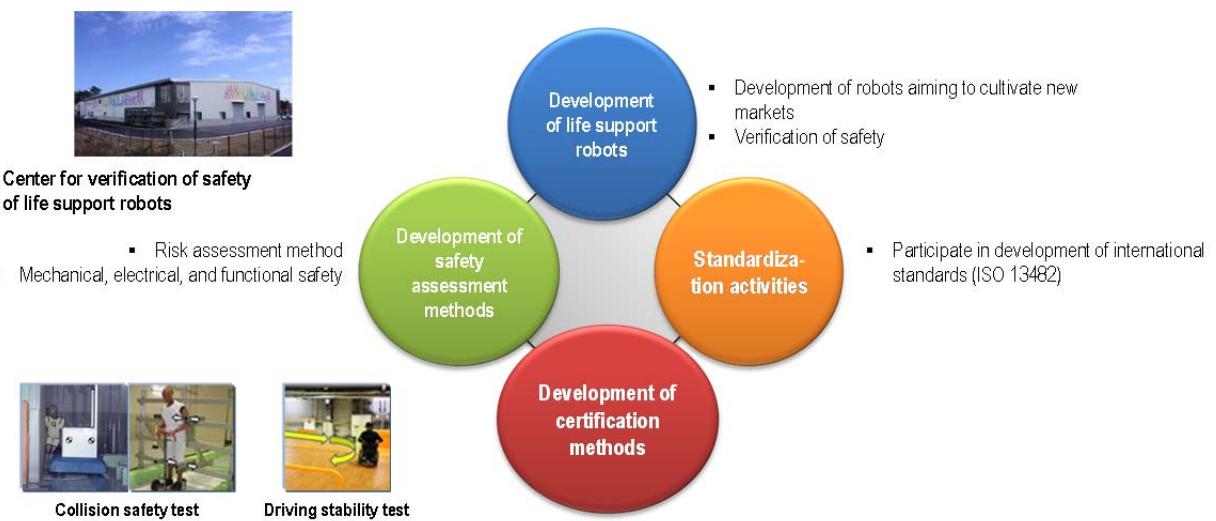
However, as cross-sectional issues, there are matters that still remain as challenges: the system is not yet ready to promptly proceed with the standardization of the advanced technology of a small number of companies and fusion technology crossing over industry organizations; and superior intellectual property is not fully utilized due to the lack of experience of standardization activities among SMEs.

On the other hand, Japan's certification systems have a short history compared to the systems of Europe and the U.S., and Japanese systems are separated according to business

categories and fields based on separate laws, so it was pointed out that the systems are rigid. Thus, it is necessary to prepare systems that can flexibly respond to certification that is expected in new industrial fields.

In particular, for new industrial fields, such as the fields of high technology (e.g., robots and LED lights) and infrastructure-related technology (e.g., smart grids) in which global growth is expected in the near future and in which Japan can maximize its superiority, efforts towards upgrading and enhancing the certification infrastructure are necessary. The Verification, Evaluation, and Planning Committee also pointed out the importance of carefully assessing fields that are potentially disadvantageous for Japan and those in which Japan can gain a competitive advantage in terms of competition between nations.

Example of certifications in new fields (life support robots)⁸



(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to efforts for international standardization and certification, the following approaches will be promoted by the related ministries and agencies.

Strategic approach to international standardization and certification

- From the a point of view of maintaining superiority and supporting global expansion in new industrial fields in which global growth is expected in the near future and in which Japan can maximize its superiority, the Government of Japan will enhance strategic approaches to international standardization and prepare internationally accepted certification systems through strengthening domestic certification bodies and promoting the overseas operations of Japanese certification bodies, such as cooperation with overseas certification bodies (short term and medium term) (METI).

Promoting international standardization strategies in specific strategic fields

- With regard to international standardization strategies in specific strategic fields (with the fields selected based on market scale and growth potential, expandability of the field, Japan's superiority in the field, and the significance of international standardization), the Government of Japan will take the lead in international discussions and facilitate voluntary efforts made by interested parties (short term and

⁸ Source: The 3rd Verification, Evaluation, and Planning Committee, Intellectual Property Strategy Headquarters, Handouts, Document 3.

medium term) (Cabinet Secretariat, Cabinet Office, MIC, MEXT, Ministry of Health, Labor and Welfare [MHLW], MAFF, METI, Ministry of Land, Infrastructure, Transport and Tourism [MLIT], Ministry of the Environment [MOE]).

- Reform of standardization systems • In order to make it possible to conduct prompt and smooth standardization based on innovation and fusion technologies across existing industrial associations and groups, the Government of Japan will reform the current standardization systems with regard to planning and deliberation on domestic standards (JIS) and international standards (ISO/IEC) (short term) (METI).

Support for standardization activities by SMEs

- In order for SMEs, which have superior technology and products but do not have experience of standardization activities, to be able to promptly and strategically work on domestic and overseas standardization as well as the acquisition of certification, the Government of Japan will build up a fully packaged support system for SMEs with regard to the provision of information, dispatching of specialists, planning standards, international negotiations, and acquisition of certification (short term) (METI).

Developing human resources taking the lead in international negotiations for standardization

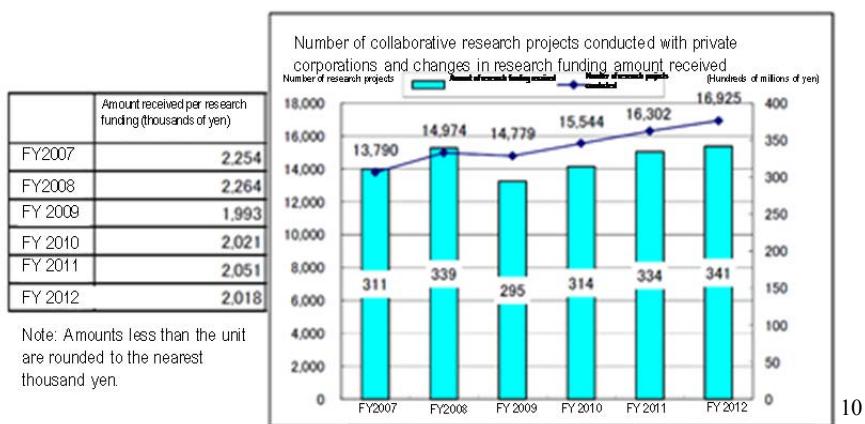
- In order to continue to increase the number of Japan's secretariats of ISO/IEC technical committees, of which Japan is currently in charge of over 90 secretariats, the Government of Japan will establish measures across generations to develop human resources who can take on the roles of international secretaries and chairpersons, through cooperation between the private and public sectors. In addition, with the united effort of the private and public sectors, the Government of Japan will consider programs to develop human resources utilizing international standards targeted at various people, including personnel in managerial positions, sales positions, or new hires (short term and medium term) (METI).

5. Enhancing the functionality of industry-academia-government collaboration

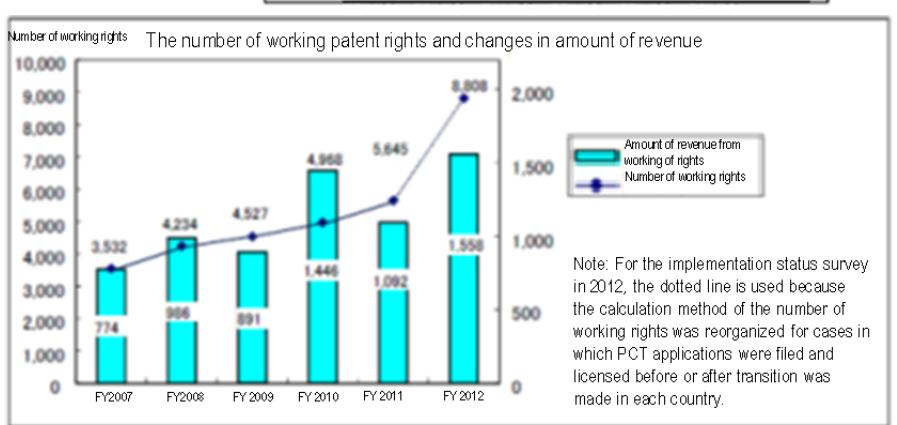
(1) Current situation and issues

Current status of industry-academia-government collaboration

Both the amount of research funding received by universities when conducting collaborative research with private corporations and the number of patent rights owned by universities have continued to increase over the past few years. However, the number of working patent rights has stayed at only 30% of the number of owned patent rights, and this is a low rate compared with the average rate of utilization of patent rights in Japan, which is approximately 50%.⁹ Furthermore, in comparison, the U.S. has approximately four times more cases of commercialization of products through collaboration among industry, academia, and government; regarding license revenue and the number of start-up ventures, the rate in the U.S. is more than ten times that of Japan.



Note: Amounts less than the unit are rounded to the nearest thousand yen.



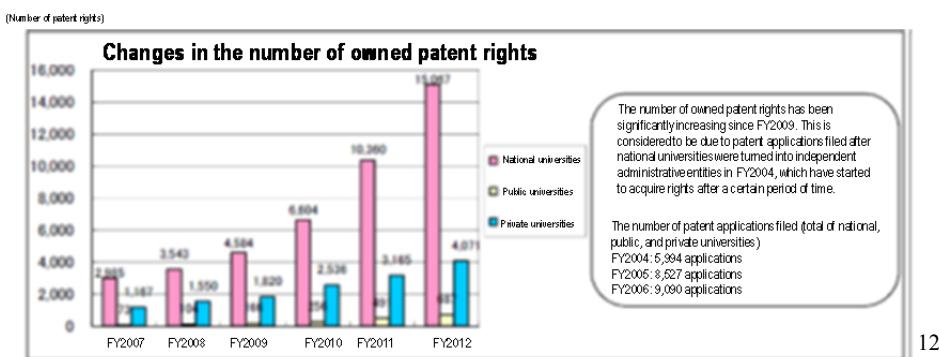
Note: For the implementation status survey in 2012, the dotted line is used because the calculation method of the number of working rights was reorganized for cases in which PCT applications were filed and licensed before or after transition was made in each country.

11

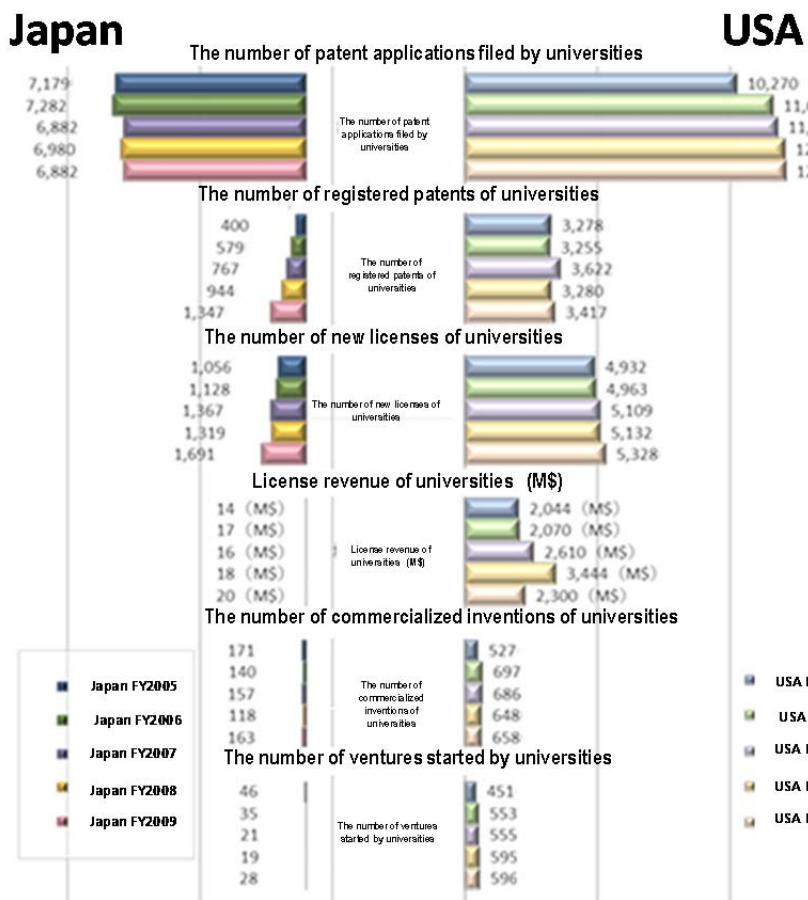
⁹ Source: JPO Annual Report 2013, p. 52.

¹⁰ Source: Ministry of Education, Culture, Sports, Science and Technology: FY2012 Implementation Status of Collaboration Among Industry, Academia, and Government at Universities, p. 3.

¹¹ Source: Ibid., p. 14.



12



13

Issues in industry-academia-government collaboration

With regard to intellectual property rights created as results of research and development at universities, in order to give these achievements back to society, it is expected that such intellectual property rights will be used in a strategic way. However, in reality, it has been pointed out that there are cases in which intellectual property rights are not being used effectively, such as intellectual property rights that remain idle or in a dormant state because they were acquired for defensive purposes or because using individual intellectual property rights is difficult.

¹² Source: Ibid., p. 12.

¹³ Source: MEXT and METI, Concerning Consideration on Evaluation Indexes of Intellectual Property Headquarters at Universities and Technology Licensing Organizations.

In particular, with regard to how to handle patent rights shared between corporations and universities, there are opinions saying that the current system, which is based on the fact that licenses cannot be granted to a third party without obtaining the consent of joint owners, is appropriate and other opinions saying it would be better determined on the basis of free contracts between joint owners.

Excellent research and development results exist in local universities as well. Therefore, it is necessary to put efforts into leading the knowledge of universities to further innovation by SMEs and venture companies actively collaborating with universities.

For industry-academia-government collaboration, in addition to individual efforts by related ministries and agencies, it is important to view everything as a whole and to work through cooperation between the Council for Science, Technology and Innovation acting as a command post for science, technology, and innovation policies and the Intellectual Property Strategy Headquarters acting as a command post for intellectual property policy.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to enhancing the functionality of industry-academia-government collaboration, the following approaches will be promoted by the related ministries and agencies.

Effective use of intellectual property rights by public research institutions, such as the National Institute of Advanced Industrial Science and Technology (AIST)

- The Government of Japan will create rules for promoting the effective use of intellectual property rights, including intellectual property rights possessed by public research institutions (such as the AIST) that conduct research, including the achievements of research funded by corporations, and the corporations will obtain exclusive licenses in a field of commercialization (short term) (METI).

Reviewing operations of a Japanese version of the Bayh-Dole Act

- From the perspective of fully connecting the results of the nation's research and development to commercialization, and maximizing national wealth, the Government of Japan will study how intellectual property management for Japan's research and development projects should be practiced (such as the operation of a Japanese version of the Bayh-Dole Act) and will take necessary measures (short term) (METI).

Promoting the use of intellectual property rights by packaging rights

- The Government of Japan will strategically consolidate intellectual property rights, which are spread across universities, through the Japan Science and Technology Agency (JST), and for intellectual property rights that are difficult to use individually, the Government of Japan will promote their use through advancing packaging of such rights (short term and medium term) (MEXT).

Beginning investment services based on the revised Act on Enhancement of Research and Development Capacity

- Based on the revised Act on Enhancement of Research and Development Capacity, starting from FY2014 the JST, a research and development independent administrative agency, will introduce new services of financial contributions and contributions in kind of intellectual property rights and equipment owned by the JST for ventures started by universities that utilize the JST's research and development achievements for their business activities (short term and medium term) (MEXT).

Implementation of Innovation Super Bridge

- From the perspective of creating more ventures from universities on the initiative of MEXT and the JST, the Government of Japan will develop the intellectual property and research achievements of universities to the level of being able to use them in industry and society from a market standpoint, and will package the establishment of structures and systems necessary for building a strong team from the pre-venture stage as well as developing human resources for innovation with an entrepreneurial spirit, and will implement these as a set of measures. With these efforts, the Government of Japan will realize bridging to the creation of ventures from universities, which are innovation leaders (Innovation Super Bridge) (short term and medium term) (MEXT).

Support for intellectual property business matching activities

- In order to lead intellectual property rights that are available for licensing from among the technologies of large enterprises and universities to the commercialization and establishment of businesses for SMEs and venture companies, the Government of Japan will support intellectual property business matching activities which promote the use of intellectual property rights by third parties through cooperation with local governments (short term and medium term) (METI).

Recruiting experts who can assist in facilitating the circulation of intellectual property

- In order to more effectively make use of intellectual property owned by companies or

universities in Japan which is available for other companies, the Government of Japan will consider recruiting experts who can assist in facilitating the circulation of intellectual property, including global expansion, with a good ability to judge technology and to assess the value of intellectual property (short term) (METI).

Support for filing applications in foreign countries for important patents that are expected to be used strategically

- With regard to important patents that are expected to be used strategically by universities, fees associated with filing applications in foreign countries will continue to be supported by the JST (short term and medium term) (MEXT).

Developing and establishing research administrators

- With regard to the planning of research and development as well as the acquisition and utilization of intellectual property rights, the Government of Japan will develop and secure research administrators with specialized knowledge and skills, and will establish their positions and improve their quality (short term and medium term) (MEXT).

Facilitating evaluation of industry-academia-government collaboration

- In order to promote efforts for introducing a PDCA cycle using evaluation indexes of industry-academia-government collaboration activities at institutions such as universities and technology licensing organizations (TLOs), the Government of Japan will facilitate the publication of evaluation results by universities and TLOs, and will create a model base concerning the evaluation of industry-academia-government collaboration activities (short term and medium term) (MEXT, METI).

Cooperation with the Council for Science, Technology and Innovation

- In order to accelerate the creation of innovation, the Government of Japan will cooperate with the Council for Science, Technology and Innovation towards the development of the fifth Science and Technology Basic Plan (short term) (Cabinet Secretariat, Cabinet Office, MEXT, METI).

6. Preparation of the place for development of human resources for intellectual property under the initiative of the government

(1) Current situation and issues

In the Plan for the Development of Human Resources for Intellectual Property, which was formulated on January 20, 2012, the Intellectual Property Strategy Headquarters organized measures for developing and securing human resources for business-strategic intellectual property management: in other words, human resources who can strategically utilize international standards and intellectual property in order to strengthen our competitiveness (human resources for intellectual property management) and human resources for intellectual property who can be active in the world (global human resources for intellectual property).

Furthermore, in the Vision formulated in June 2013, a concrete policy was indicated to execute this Plan for the Development of Human Resources for Intellectual Property in a steady and sturdily built manner. In order to develop global human resources for intellectual property who can be active in the world as well as human resources for intellectual property management, including top management, it is necessary to provide various information on intellectual property in foreign countries, legal knowledge about intellectual property, and knowledge as well as know-how regarding intellectual property strategy aligned with business strategy. The Headquarters suggested that it is appropriate to prepare a place for the development of human resources (while cooperating with the private sector, under the initiative of the government) that is suitable for comprehensively providing such information and knowledge.

In foreign countries, efforts have already been put into the development of human resources for intellectual property, with government agencies in the lead. Specifically, as shown in the diagram below, the World Intellectual Property Organization (WIPO), United States Patent and Trademark Office (USPTO), European Patent Office (EPO), Korean Intellectual Property Office (KIPO), and State Intellectual Property Office of the People's Republic of China (SIPO) hold training for intellectual property management. For example, the EPO provides training under the themes of "Intellectual Property Strategy for Business," "Portfolio Management of Intellectual Property," and "Utilization of Technology by Licensing."

Status of improvement of programs for the development of human resources for intellectual property in foreign countries (survey conducted in FY2013)¹⁴

	WIPO	USPTO	EPO	KIPO	Sipo	(Reference) JPO
Implementing agency	WIPO Academy	(USPTO)	European Patent Academy (EPA)	International IP Training Institute (IIPTI)	China Intellectual Property Training Center (CIPTC)	National Center for IP Information & Training (INPIT)
Year started	1998	2005	2004	2005	1997	2004
Overseas cooperation training	Global Network on IP Academies	The Global IP Academy (GIPA)	Institutional Strengthening	International Program	International Cooperation	(APIC)
Training for students	Summer School Academic Institutions Program	—	Academia Unit	Invention Education	On-the-Job Postgraduate IP Training Program University Students IP Training Program	—
Management and control of intellectual property	Academic Institutions Program	—	Business Unit	—	Enterprise IP Training Program	—
Training for experts	Professional Development	—	Professional Representatives Business Unit	IP Education for the Private Sector	IP Agent Practice Skill Training	Training for Persons Conducting Research Service Training for Experts in Training Training for Utilization of Intellectual Property
Distance training (for the public)	Distance Learning IP Panorama (E-learning)	USPTO Webinars IP E-learning Module	Recordings of Virtual Classrooms Video Modules	E-learning Programs	Distance Education	IP E-learning

As seen above, in foreign countries, the government is directly involved in the development of human resources for intellectual property and actively works on it. In Japan, using cases in other countries as a reference, the Government of Japan should play a leading role and immediately and steadily advance preparation of a place to develop human resources for intellectual property in terms of accumulating information on intellectual property, securing instructors who are active in the front lines, and establishing networks of personal contacts including among private-sector educational institutions.

With regard to the human resources targeted for development, the importance of intellectual property management education for top management of companies was pointed out at the Verification, Evaluation, and Planning Committee. In addition, at the task force for supporting SMEs and venture companies as well as universities, it was suggested that educational activities be strengthened for intellectual property management for the top management of SMEs and venture companies. Furthermore, the task force for trade secrets noted that comprehensive strategies are required for the protection and use of intellectual property, including trade secret management. Therefore, improvement of intellectual property management education is anticipated with top management in mind,

¹⁴ Source: The 6th Verification, Evaluation, and Planning Committee, Intellectual Property Strategy Headquarters, Handouts, Document 3.

as they are in a position to implement these strategies.

In addition, at the Verification, Evaluation, and Planning Committee, for the development of global human resources for intellectual property, it was suggested that it is necessary to establish programs in English, to adopt programs meeting international standards, and to develop human resources for utilizing international standards.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with recognition of the necessity for a place to comprehensively provide various information on intellectual property in foreign countries, legal knowledge about intellectual property, and knowledge as well as know-how regarding intellectual property strategy aligned with business strategy in order to develop global human resources for intellectual property who can be active in the world and human resources for intellectual property management, including top management, with regard to preparing a place for the development of human resources for intellectual property under the initiative of the government, the following approaches will be promoted by the related ministries and agencies.

Preparing a place for developing human resources for intellectual property who can be active in the world

- Using survey results about the efforts of the USPTO and other agencies as a reference, the Government of Japan will prepare a place to develop human resources for intellectual property who can be active in the world, through a government initiative in cooperation with the private sector and the National Center for Industrial Property Information and Training (INPIT). As part of this preparation, the Government of Japan will collect cases in which intellectual property played an important role in corporate activities and will start to improve programs for the development of human resources for intellectual property targeted at business owners, such as conducting training for small groups (short term and medium term) (METI).

Developing human resources enabling support for the establishment of comprehensive intellectual property strategies

- On putting in perspective stages from the consideration of business models to exercising rights (such as handling lawsuits), by preparing a place to comprehensively provide knowledge regarding intellectual property management strategy aligned with

business strategies based on legal knowledge about intellectual property and overseas information, the Government of Japan will strengthen the development of human resources who can support the establishment of comprehensive intellectual property management at SMEs and venture companies, which takes patents, designs, trademarks, and know-how into account (short term and medium term) (METI).

Developing human resources taking the lead in international negotiations for standardization

- In order to continue to increase the number of Japan's secretariats of ISO/IEC technical committees, of which Japan is currently in charge of over 90 secretariats, the Government of Japan will establish measures across generations to develop human resources who can take on the roles of international secretaries and chairpersons, through cooperation between the private and public sectors. In addition, with the united effort of the private and public sectors, the Government of Japan will consider programs to develop human resources utilizing international standards targeted at various people, including personnel in managerial positions, sales positions, or new hires (short term and medium term) (METI) [shown again].

Intellectual property education programs in English

- In order to globally expand Japan's intellectual property system and to secure globally excellent human resources for intellectual property, the Government of Japan will develop intellectual property education programs in English through collaboration with overseas academic and research institutions. Also, the Government of Japan will hold discussions and take necessary measures to prepare a system to steadily carry out such intellectual property education programs (short term and medium term) (METI).

Enhancing the development of patent attorneys and legal professionals who have the ability to cope with internationalization

- With a view to internationally release Japan's intellectual property legislation, obtain information on intellectual property in foreign countries, and improve international alternative dispute resolution organizations for intellectual property, the Government of Japan will enhance and promote the development of patent attorneys and legal professionals who have the ability to cope with internationalization (short term and medium term) (METI, MOJ).

Providing support for the development of judicial human resources for intellectual property in emerging nations

- In order to support intellectual property legal systems and their operations as well as upgrades regarding enforcement methods in emerging nations, and to establish effective judicial proceedings, the Government of Japan will support the development of judicial human resources for intellectual property, such as providing training for judicial officials in emerging nations (short term and medium term) (MOJ, METI, MOFA).

Developing human resources for border controls

- In order to advance improvement of the global intellectual property environment, based on needs from developing countries and emerging nations as well as their status of improvement of systems, the Government of Japan will provide appropriate support, including the development of human resources for border controls (short term and medium term) (MOF, METI).

Promoting intellectual property education at universities and the like

- In faculties and schools at universities and the like, including faculties of science and technology, schools of law, faculties of art, and schools of management, where potential intellectual property experts, intellectual property creators, and intellectual property managers are educated, the Government of Japan will facilitate independent efforts made by the universities to establish classes related to intellectual property, referring to the example of other universities where intellectual property-related classes are required (short term and medium term) (MEXT, METI).

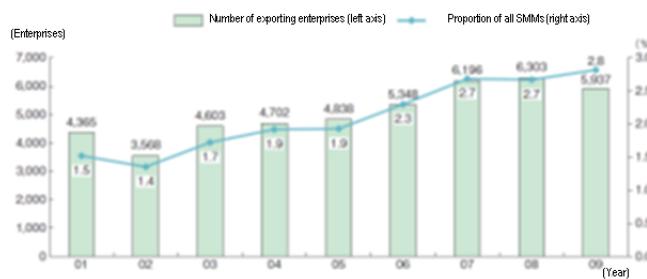
Second pillar: Support for enhancing intellectual property management by SMEs and venture companies

1. Support for overseas intellectual property activities by SMEs, venture companies, and universities

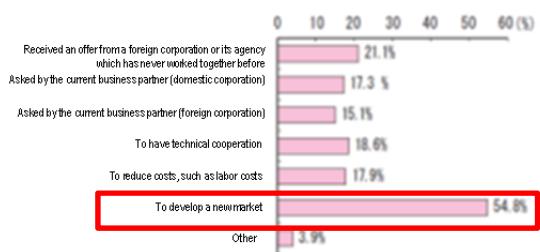
(1) Current situation and issues

As leaders in the creation of innovative technologies as well as local economies and employment, SMEs and venture companies in Japan have been supporting Japan's industrial competitiveness for many years. In recent years, under a severe management environment including sluggish Japanese markets, the rapid expansion of emerging markets, and intensified global competition among corporations, many SMEs and venture companies are accelerating overseas expansion mainly in emerging nations by taking advantage of their excellent technological skills, which have been cultivated and developed at sites of Monozukuri craftsmanship, in order to accomplish further progress and expansion.

Changes in the number and proportion of exporting enterprises (small- and medium-sized manufacturers)¹⁵



Reasons for beginning overseas expansion¹⁶



On the other hand, in order to survive against intense global competition with overseas companies and to obtain vigorous emerging markets, it is important to effectively use the excellent technological skills of Japanese companies as intellectual property and to incorporate intellectual property management maximizing their own earnings into their business strategies.

¹⁵ Source: 2012 White Paper on Small and Medium Enterprises in Japan, p. 71.

¹⁶ Source: JPO Annual Report 2013, p. 58.

Thus far, as a support system for the overseas expansion of SMEs and venture companies as well as universities, a variety of measures have been implemented, such as financial aid for filing foreign applications, support by intellectual property producers and overseas intellectual property producers, and support for intellectual property activities, including countermeasures against counterfeits provided by diplomatic missions and the Japan External Trade Organization (JETRO).

On the other hand, through discussions held at the Verification, Evaluation, and Planning Committee of the Intellectual Property Strategy Headquarters as well as the task force for strengthening support for SMEs, venture companies, and universities established under the Committee, the issue that it is difficult for SMEs and venture companies to perform proper intellectual property management was highlighted. The reasons are: first, a problem of human resources involving a lack of knowledge among top management and the financial institutions that support them; second, a financial problem in which costs for filing foreign applications and handling infringements of rights, such as lawsuits, are high for SMEs; and thirdly, a problem of information, in that there is a lack of information on public assistance and proper experts to consult with.

Presence or absence of formulation of business plans Issues for overseas expansion¹⁸ regarding technology for which applications were filed¹⁷



(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to the support

¹⁷ Source: JPO Annual Report 2013, p. 58.

¹⁸ Source: Ibid., p. 57.

system for the overseas expansion of SMEs and venture companies in terms of intellectual property, it is necessary to take measures from the three perspectives of human resources, funds, and collaboration with information as well as relevant organizations. In addition, this approach to support SMEs and venture companies effectively is considered to be potentially effective for universities as well. At the task force for strengthening support for SMEs, venture companies, and universities, for considering measures, it was suggested to keep in mind that it is necessary to have a perspective of preventive support for SMEs and venture companies that plan to carry out overseas expansion in the future, in addition to urgent support for SMEs and venture companies that are already having issues. In other words, unlike proprietary rights, intellectual property rights are information property, which is difficult to possess, and they are at a high risk of infringement as well as having the nature that once infringement occurs, practical recovery of the damage is difficult. Therefore, in order to not fall behind, proactive support is extremely important.

Based on the concept described above, in order to improve support measures in terms of intellectual property for SMEs and venture companies that are carrying out overseas expansion, with regard to human resources, funds, and collaboration with information as well as with relevant organizations, the following approaches will be promoted by the related ministries and agencies.

Proactive support starting at the stage of consideration of the business model with a view to standardization and preserving secrets

Improving comprehensive support system for SMEs and venture companies

- The Government of Japan will conduct a fundamental review on how the Comprehensive IP Support Counters should be operated, including the development of human resources for the Suport Counters, in order to realize support for establishment of comprehensive intellectual property strategies starting at the stage of consideration of the business model (short term and medium term) (METI).
- With the increased demand for the promotion of open and closed strategies at companies as well as comprehensive strategies for the protection and use of intellectual property, such as the management of trade secrets, in order to provide one-stop support to mainly SMEs regarding these measures, while securing human resources for instruction on open and closed strategies, the Government of Japan will establish a system for conducting publicity and educational activities, such as consultation services, issuing certificates of original documents, and holding seminars. Regarding establishing a consultation system, the system will have a structure that

cooperates with Comprehensive IP Support Counters nationwide, and it will provide consultations on how to respond to matters where there are doubts about disclosure of trade secrets, including cooperation with investigating authorities. Aiming to establish such a system, the Government of Japan will discuss matters with a plan of sequentially putting feasible efforts into practice within 2014 (short term and medium term) (METI) [shown again].

- In order for SMEs, which have superior technology and products but do not have experience of standardization activities, to be able to promptly and strategically work on domestic and overseas standardization as well as the acquisition of certification, the Government of Japan will build up a fully packaged support system for SMEs with regard to the provision of information, dispatching of specialists, planning standards, international negotiations, and acquisition of certification (short term) (METI) [shown again].
- In order to enable support by teams consisting of cross-industry experts, the Government of Japan will strengthen collaboration between the Comprehensive IP Support Counters and relevant organizations, including the Japan Patent Attorneys Association (JPAA), bar associations, financial institutions, the Commercial and Industrial Association, the Chamber of Commerce and Industry, the Organization for Small and Medium Sized Enterprises and Regional Innovation, and the University Technology Transfer Association (short term and medium term) (METI).
- In order to lead intellectual property rights that are available for licensing from among the technologies of large enterprises and universities to the commercialization and establishment of businesses for SMEs and venture companies, the Government of Japan will support intellectual property business matching activities which promote the use of intellectual property rights by third parties through cooperation with local governments (short term and medium term) (METI) [shown again].
- With regard to patent information, which is an accumulation of technical information, the Government of Japan will build a new service to provide information on intellectual property rights by renovating the Industrial Property Digital Library (IPDL) to be able to contribute to SME and venture company users, such as by focusing on research and development investments by Japanese companies as well as smooth business activities in foreign countries (short term and medium term) (METI).

Efforts for improving the mindset among SMEs and venture companies as well as supporters of SMEs and venture companies, including financial institutions

- Towards raising awareness from a business perspective for human resources such as

the management of SMEs, financial institutions, tax accountants, and SME management consultants, and people in local governments involved in SME support, the Government of Japan will expand explanatory seminars on the overall outline of the system of intellectual property rights and various systems necessary for practical business. Furthermore, by promoting a good ability to judge technology and to assess the value of intellectual property, the Government of Japan will promote measures for business operators themselves to reaffirm the value of intellectual property owned by SMEs and to actively engage in intellectual property activities (short term and medium term) (METI).

Enhancing the structure of the overseas intellectual property producer program

- In view of prospects for overseas expansion by SMEs and venture companies becoming more active in the future, it will become increasingly important to thoroughly support SMEs and venture companies in the field of intellectual property. Therefore, the Government of Japan will enhance the structure of the overseas intellectual property producer program, such as by supporting SMEs and venture companies by accompanying them to both domestic and overseas sites as necessary (short term and medium term) (METI).

Support for expanding the base of intellectual property activities by SMEs and venture companies

- In order to deepen the understanding of intellectual property by SMEs and venture companies with excellent technology, the Government of Japan will expand the dispatching of intellectual property advisers (such as former business people from companies) who visit SMEs and venture companies in person and provide consultations for them, and will enhance collaboration between measures by the national government and local governments (short term and medium term) (METI).
- For the Comprehensive IP Support Counters, the Government of Japan will work on cooperation with total support bases that provide one-stop consultation for business owners of SMEs and small businesses, and will expand the base of support for intellectual property (short term) (METI).
- On Mirasapo, a website that provides information on assistance by public institutions as well as support measures (subsidies and grants), and a place to exchange information with experienced business owners and experts regarding management-related concerns, the Government of Japan will upgrade intellectual property-related information for SMEs and venture companies, and improve access to intellectual property-related websites from Mirasapo (short-term) (METI).

Enhancing the collection, analysis, and release of information on intellectual property in foreign countries

- With a data bank of information on intellectual property in emerging nations that is an accumulation of intellectual property-related information necessary for overseas expansion, the Government of Japan will provide information on intellectual property-related lawsuits in emerging nations as well as intellectual property risk management, expand the information listed in the data bank, and publicize the existence of the data bank, as well as advance improvement of its user-friendliness (short term) (METI).
- After making information anonymous and generalized to prevent disadvantages to companies that provide case information, the Government of Japan will collect and provide information not only on best practices but also on typical cases of failure with regard to intellectual property (short term) (METI).
- The Government of Japan will collect information on intellectual property protection owned by Japanese companies and relevant bodies that have already been expanding overseas, including the International Intellectual Property Protection Forum (IIPPF) and the Intellectual Property Group (IPG) formed by Japanese companies abroad, and will effectively release and share such information (short term and medium term) (METI).
- The Government of Japan will examine present preventive support for avoiding risks of getting involved in disputes, such as intellectual property lawsuits in foreign countries, and urgent support when disputes occur, and will take necessary measures (short term) (METI).

Support for applications and the acquisition of rights

Promoting collaboration and cooperation with emerging nations

- According to the stage of development and a needs of emerging nations, the Government of Japan will promote custom-made collaboration and cooperation regarding examinations and trials, including designs and trademarks, such as providing programs for developing human resources for intellectual property activities, conducting short-, medium- and long-term dispatches of examiners or judges, and enhancing releases of examination results and examination guidelines (short term and medium term) (METI) [shown again].

Enhancing examination and trial services

- In order to revitalize local intellectual property activities, based on the industrial

structure and the specific needs of each area, the Government of Japan will enhance examination and trial services for local companies and universities, such as using on-site interview examinations, local interview proceedings, circuit trials, and television interviews, as well as short-, medium-, and long-term dispatches of examiners to regions (short term) (METI) [shown again].

Promoting efforts by the JPA

- The Government of Japan will further expand projects for supporting SMEs implemented by the JPA, such as seminars for SMEs and support systems for applications, and will promote the provision of training for patent attorneys on the reduction and exemption system and subsidy system (short term) (METI).
- The Government of Japan will encourage the JPA's efforts to provide information on patent attorneys, such as making it possible to search for patent attorneys based on past results of support for SMEs and venture companies, and efforts to contribute to further improving a feeling of trust for patent attorneys, such as publishing the results of expulsions of members and implementing training on ethics, including thorough information management at patent offices. With this, the Government of Japan will promote the appropriate use of patent attorneys by SMEs and venture companies (short term) (METI).

Publication of new reduction and exemption system and review of fee system

- In order for SMEs, venture companies, and universities to obtain rights more easily, the Government of Japan will publicize the new reduction and exemption system concerning patents and consider reviewing the fee system, and take necessary measures to make it a more effective system which can further contribute to facilitating innovation, including designs and trademarks mainly used by SMEs and venture companies (short term) (METI).

Enhancing financial support measures based on needs

- In order to improve user-friendliness, the Government of Japan will promote a sequence of feasible efforts for assistance systems for foreign applications, including the simplification of processes (short term and medium term) (METI).
- With regard to support for research activities, such as prior art searches, which impose a large financial burden on SMEs and venture companies, the Government of Japan will offer a service to provide information on intellectual property rights with a focus on user-friendliness, and take necessary support measures (short term) (METI).
- With regard to important patents that are expected to be used strategically by

universities, fees associated with filing applications in foreign countries will continue to be supported by the JST (short term and medium term) (MEXT) [shown again].

Unifying and simplifying application process

- With a view to acceding to the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks, which are aiming for unification and simplification of the domestic application processes that differ in each country, the Government of Japan will consider reviewing the domestic application process for patents and trademarks, and approach intellectual property offices in other countries towards international harmonization in terms of design system processes (short term and medium term) (METI, MOFA) [shown again].

Support for early resolution of overseas intellectual property issues

Utilization of the INPIT

- For emerging nations, whose importance for the market is growing more and more, with the aim of enhancing overseas support for countermeasures against counterfeit goods and the acquisition of rights for Japanese SMEs and venture companies, the Government of Japan will consider utilizing the INPIT and other measures (short term and medium term) (METI).

Overseas dispatch of experts

- In order to further improve the investigation of information on intellectual property legislation in each country, the accumulation and analysis of issues regarding intellectual property rights, encouraging improvement of operations, support for acquisition and protection of intellectual property rights, understanding of the actual condition of the damage caused by counterfeiting, support for enforcement, and promotion related to the Japan brand, the Government of Japan will dispatch patent attorneys, judicially certified persons, or former business people overseas, and will strengthen support systems as well as efforts in foreign countries through cooperation with relevant organizations, such as local embassies and JETRO (short term and medium term) (METI, MOJ, MOFA).

An overall view of efforts already taken and measures to be taken in the future

● Efforts already taken ○ Measures to be taken in the future	Human resources	Funds	Collaboration with information as well as relevant organizations
<p>Proactive support starting at the stage of consideration of the business model with a view to standardization and maintaining intellectual property as secrets</p>	<p>Human resources</p> <ul style="list-style-type: none"> ○ Improvement of IP mindset among SMEs and venture companies as well as their supporters, including financial institutions <ul style="list-style-type: none"> Expansion of explanatory seminars towards raising awareness of IP from a business's perspective and promotion of business operators' active efforts for IP activities. ● Dispatch of IP producers ○ Enhancement of the structure of overseas IP producer program <ul style="list-style-type: none"> Through support from domestic to overseas sites. 	<p>Funds</p> <ul style="list-style-type: none"> ● Enhancement of functionality of Comprehensive IP Support Counters <ul style="list-style-type: none"> Establishment of consultation system with patent attorneys and lawyers, and provision of consultation for management of trade secrets ○ Improvement of comprehensive support system for SMEs and venture companies (one-stop support offices) <ul style="list-style-type: none"> Fundamental review of how the Comprehensive IP Support Counters should be operated, preparation of one-stop support system for management of trade secrets, establishment of support system for standardization activities, strengthening of collaboration between Support Counters and relevant organizations, support for IP business matching activities, and improvement of IPOL 	<p>Collaboration with information as well as relevant organizations</p> <ul style="list-style-type: none"> ○ Expansion of base of IP activities <ul style="list-style-type: none"> Expansion of dispatching of IP activities, collaboration between Comprehensive IP Support Counters and total support bases, and improvement of information on IP on Miraspo. ○ Enhancement of the collection, analysis, and release of information on IP in foreign countries <ul style="list-style-type: none"> Improvement of a data bank of information on IP in emerging nations, publishing of failure cases, release of information on IIPPF and IPG, and examining how support measures should be provided.
<p>Support for applications and acquisition of rights</p>	<ul style="list-style-type: none"> ● Training for human resources for IP in emerging nations ○ Promotion of collaboration and cooperation with emerging nations <ul style="list-style-type: none"> Collaboration and cooperation regarding examination and trials based on the needs of emerging nations. ○ Enhancement of examination and trial services <ul style="list-style-type: none"> On-site interview examinations and dispatches of examiners or judges. 	<ul style="list-style-type: none"> ○ Publication of new reduction and exemption system and review of fee system <ul style="list-style-type: none"> Review of the fee system, including designs and trademarks. ○ Unification and simplification of application process <ul style="list-style-type: none"> Consideration for acceding to the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks, and efforts for early adoption of the Design Law Treaty. ○ Enhancement of financial support measures based on needs <ul style="list-style-type: none"> Simplification of the process for the subsidy system, support for research activities of prior art searches, and support for universities' foreign patent applications. ○ Promotion of efforts by the JPAA <ul style="list-style-type: none"> Publication of efforts for supporting SMEs, cooperation for training for patent attorneys regarding revision of systems, expansion of opportunities in which patent attorneys can play an active role, and improvement of provision of information on patent attorneys. 	<ul style="list-style-type: none"> ● Upgrade of technology trend survey and enhancement of release of information ○ Enhancement of the collection, analysis, and release of information on IP in foreign countries (shown again) <ul style="list-style-type: none"> Improvement of a data bank of information on IP in emerging nations, publishing of failure cases, release of information on IIPPF and IPG, and examining how support measures should be provided.
<p>Support for early resolution of overseas intellectual property issues</p>	<ul style="list-style-type: none"> ○ Support for IP activities by diplomatic missions and JETRO (countermeasures against counterfeit goods) ○ Utilization of INPIT <ul style="list-style-type: none"> Enhancement of support abroad. ● Training for human resources for IP in emerging nations (shown again) 	<ul style="list-style-type: none"> ○ Overseas dispatch of experts <ul style="list-style-type: none"> Investigation of information on IP legislation, accumulation and analysis of issues, encouraging improvement of operations, support for acquisition and protection of IP rights, understanding of the actual condition of the damage caused by counterfeiting, support for enforcement, and promotion related to the Japan brand. ● Upgrade of support for infringement investigations <ul style="list-style-type: none"> Subsidies for investigation fees, creating warning letters, and exposure. 	<ul style="list-style-type: none"> ○ Utilization of INPIT (shown again) <ul style="list-style-type: none"> Enhancement of support abroad. ○ Enhancement of collection, analysis, and release of information on IP in foreign countries (shown again) <ul style="list-style-type: none"> Improvement of a data bank of information on IP in emerging nations, publishing of failure cases, release of information on IIPPF and IPG, and examining how support measures should be provided.

Third pillar: Improving the environment for adjusting to the digital network society

1. Improvement of infrastructure of legal systems for adjusting to development of the digital network

(1) Current situation and issues

With the development of digital networks, expectations are growing for the creation and expansion of new industries along with the emergence of cloud services and e-books, and the advancement of IT-oriented education. Promoting the circulation of content through digital networks contributes to the development of culture as well. On the other hand, the development of the infrastructure for legal systems and licensing systems responding to these new industries is not yet sufficient.

Improving the environment to promote the circulation of content

The Vision suggests considering how the copyright system should be from the perspective of promoting the creation and expansion of new industries, such as cloud services, and taking necessary measures. In addition, based on discussions at the Council for Regulatory Reform, in the Intensive Action Plan for Regulatory and Institutional Reform to Expand the Utilization of IT (hereinafter referred to as the “Intensive Action Plan”) formulated by the IT Strategic Headquarters on December 20, 2013, the suggestion was made to consider how the copyright system should work, such as making it possible to offer private reproduction services in the cloud, and, with the condition of obtaining agreement among the persons involved, to draw conclusions at the earliest stage possible in FY2014. With these recommendations, the Agency for Cultural Affairs has been promoting consideration with regard to reviewing restrictions on copyrights of works at the Council for Cultural Affairs, and it is necessary to further accelerate discussions and draw conclusions as early as possible. For consideration regarding cloud services, with the review mentioned above, it is necessary to discuss the payment of proper compensation to creators from the perspective of protection for content creators.

In order to promote global circulation while properly protecting content rights, an issue under consideration is the establishment of a system in which users can easily access content information and that makes it possible to conduct smooth licensing procedures, including the collection and distribution of payment.

As e-books are becoming more and more popular, provisions concerning publication rights responding to e-books were established by the Act on the Partial Revision of the

Copyright Act, which was enacted in April 2014 (with some exceptions, the Act becomes effective starting from January 2015), in order to respond to the increasing number of issues of damage caused by pirated goods, such as illegally made copies of published materials uploaded to the Internet. For the development of the e-books market, it is necessary to continue to steadily promote measures to ensure the efficacy of the improved publication rights system.

In the Vision, focusing on the public data owned by public institutions, social media data, website data, and multimedia data, it was suggested that the effective utilization of these data is necessary to develop the content industry, and it is necessary to further promote related measures as well.

IT-oriented education

With regard to IT-oriented education, in April 2014 MEXT and the Ministry of Internal Affairs and Communications (MIC) separately released reports on the results of empirical research and experimental projects, and now it will be necessary to organize and consider concrete issues based on past efforts. Regarding digitized textbooks and materials, the Intensive Action Plan suggests organizing issues during FY2014 and considering the issues by FY2016, taking into account the situation of empirical research, about how digital textbooks and materials should be positioned in the context of the textbook authorization system as well as how the textbook authorization system and so on should be in relation to this issue.

Furthermore, it is necessary to organize and consider copyright issues in relation to the distribution of lectures at the higher education level via the Internet, such as Massive Open Online Courses (MOOCs), which have been rapidly spreading around the world in recent years.

With regard to efforts for improving the environment to promote the circulation of content and IT-oriented education, since both matters are at the crossroads of intellectual property policy and IT policy, it is necessary to promote measures through close cooperation between the Intellectual Property Strategy Headquarters and IT Strategic Headquarters.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to improving the

infrastructure of legal systems for adjusting to the development of digital networks, the following approaches will be promoted by the related ministries and agencies.

Establishing and improving a system towards building up an environment for the creation of new industries

- In order to harmonize the fair use of works with their proper protection, and to promote the creation and expansion of new industries, such as cloud services and services using information, the Government of Japan will accelerate the discussions of the Council for Cultural Affairs about the restrictions on the copyrights of works and how the system should work, including establishing a smooth licensing system. Subsequently, the Government of Japan will draw conclusions at the earliest stage possible this year and take necessary measures (short term) (MEXT).
- In order for creators to receive proper compensation and to lead to content reproduction, along with the considerations above, the Government of Japan will continue to advance considerations for reviewing the Private Copyright Levy (PCL) system and the introduction of a new system to replace the PCL system, and then will draw conclusions and take necessary measures (short term and medium term) (MEXT, METI).

Establishing platforms to provide content

- In order to ensure the global circulation and the proper protection of Japanese content, the Government of Japan will provide support for efforts regarding the establishment of platforms for introducing content in a cross-sectoral manner. In addition, the Government of Japan will provide support as necessary to promote efforts by the private sector towards the establishment of a database for content and the introduction of a management system for internationally standardized content (short term and medium term) (METI, MIC, MEXT).

Facilitating the full-scale dissemination of e-books

- Based on the revision of the Copyright Act for the establishment of publication rights responding to e-books, the Government of Japan will take necessary measures, including publicizing the purpose of the revision of the Act, considering and publicizing to the persons involved the specifics of how contracts concerning the publishing and electronic distribution of books should be implemented, and providing support for implementing effective countermeasures against counterfeits and pirated goods by using the improved publication rights system (short term) (MEXT, METI).

Promoting the secondary use of public data and big data businesses

- With regard to the public data owned by public institutions, the Government of Japan will verify the improvement of the base infrastructure for data use, such as by establishing unified rules for promoting the utilization of public data not only in business and education but also in public services, and take necessary measures (short term) (Cabinet Secretariat).
- Big data is a source of business that could produce valuable intellectual property, including user information, video and sound recordings, and information obtained from sensors, all of which are being mass-produced in each business field accompanying the progress of information technology. In order to create new businesses by utilizing and adding value to big data, the Government of Japan will improve the business environment, including formulating rules concerning the handling of personal information, through a careful consideration of the balance between privacy protection and information utilization, and will conduct research and development which could contribute to creating various kinds of added value through the collection, storage, and analysis of data, including social infrastructure and technology utilizing data, while trying to reduce risks (short term and medium term) (MIC, MEXT, METI).

Facilitating IT-oriented education

- The full-scale development of IT-oriented education is urgently needed, which includes every student at every elementary and middle school having access to digitized textbooks and materials on information terminal devices, with one terminal device per student. Considering the status of experimental studies and so forth, the Government of Japan will organize issues on how digital textbooks and materials should be positioned in the context of the textbook authorization system, and how the textbook authorization system and so on should be in relation to this issue, during this fiscal year, while promoting the establishment of a standard model of an information and communications technology (ICT) system for education using advanced ICT, such as the cloud. Subsequently, the Government of Japan will hold discussions towards the introduction of these systems by FY2016 and take necessary measures (short term and medium term) (MEXT, MIC).
- Along with education via the Internet, such as MOOC, and the discussions regarding the matters above, the Government of Japan will consider copyright issues in relation to digital textbooks and materials, and take necessary measures (short term and medium term) (MEXT).

2. Acceleration of development towards promoting the use of archives

(1) Current situation and issues

Thanks to the progress of the digital network society, image data and relevant information on items stored at museums, art galleries, and libraries have become widely available through the Internet. Such efforts by museums and others for digitally archiving cultural assets, which make it possible to accumulate and utilize cultural assets, contribute to building up an intellectual infrastructure in society, and the use of digitally archived cultural assets has already started in places of education and at locations of economic activity, such as broadcasting and publication.

These efforts for digital archiving are also being actively promoted in foreign countries, including Europe and the U.S., and digital archiving is an effective tool to release information, such as cultural information, overseas. Encouraging the release of information overseas through archives enhances the understanding of cultures specific to each country and region, and it plays a major role in establishing new cultures. Improving archives with such a nature is Japan's responsibility as a cultural superpower, and is also an appropriate goal as a strategic aim for Japan, which has a long tradition as well as a rich culture, and advanced technologies in a wide range of fields. Furthermore, economic ripple effects are also expected with efforts for the distribution of the "Cool Japan" phenomenon, in which the great individuality of our unique culture has obtained widespread responses, and establishment of the Japan brand towards the 2020 Summer Olympics and Paralympics in Tokyo.

In other words, archives have various aspects, including (1) cultural conservation, (2) social and economic use, and (3) the establishment of information infrastructure, and strategic approaches based on these aspects are required.

On the other hand, although archives have been developed mainly in the fields of cultural assets, publications, and broadcast programs, there have not been enough efforts considering the use of content after it is archived. In addition to discussions at the Verification, Evaluation, and Planning Committee, the Intellectual Property Strategy Headquarters established an archive task force under the Committee, and held intensive discussions. In the summary of these discussions, it was pointed out that efforts are required to solve the following two issues.

Issues for promoting the effective use of archives

With regard to digital archiving, by revitalizing efforts for utilizing archives with a quantitative expansion of information, it is necessary to increase the needs of users and create a virtuous cycle, which further stimulates the development and effective use of digital archiving. To do so, while using actual successful cases as a reference, it is important to accelerate efforts to remove bottlenecks in the use of archives and to make it easy to deliver information to users, and make information easy to utilize for users, for example, by prioritizing fields for utilization, improving information which is available to be provided, establishing a search system or portal site in a cross-archive manner, preparing contacts at each archive institution, and smoothing contracts for the licensing process.

Issues for establishing and improving archives

In the fields of cultural assets, publications, and broadcast programs, the amount of information provided by archive institutions through the Internet is becoming enriched. In order to further improve archives, it is necessary to enhance systems for operating archives, such as securing and developing human resources who take the lead in establishing archives, and developing base technology to support archive systems.

Efforts for saving and passing down content to future generations as cultural assets, including collecting physical materials, are behind in the field of media arts, and particularly movies and games. Therefore, with regard to digitally archiving works provided through the Internet, it is necessary to immediately formulate support measures that should be taken as a nation, including securing the necessary budget, based on a division of roles between the government and relevant private institutions.

For digitally archiving content, it is expected that each archive institution will properly work on quality when saving content from the perspective of the nature of the content and cost-effectiveness based on trends in ultra-high-resolution technology (4K and 8K).

Based on the current situation of the provision of information using digital archiving, including suggestions that Japan's efforts for digital archiving are lacking in strength compared with efforts not only in Europe and the U.S. but also in China and Korea, it is necessary to enhance efforts, including securing the necessary budget, to respond to the above two issues.

(2) Measures to be taken in the future

Based on the current situation and issues described above, the following approaches will be promoted by the related ministries and agencies.

Promoting the strategic use of archives

- Based on the growing interest in Japan towards the 2020 Summer Olympics and Paralympics in Tokyo, with regard to efforts for enhancing the release of Japanese cultural information overseas through archives, and efforts for promoting the use of archives in the field of education on the basis of the fact that the full-scale development of IT-oriented education is urgently needed, which includes every student having access to digitized textbooks and materials on information terminal devices with one terminal device per student, the Government of Japan will promote making archives available in multiple languages and the development of portal sites linked with user communities (short term and medium term) (MEXT, METI).

Increasing the variety of archives

- In order to build up an intellectual infrastructure that could be a foundation for the creation of new culture or industries, while collaborating with relevant institutions, including the National Diet Library (NDL), the Government of Japan will facilitate digitally archiving cultural assets, such as movies, music, anime, manga, games, design, photography, books, and cultural properties of Japan as well as relevant reference materials (short term and medium term) (MEXT).
- With regard to the promotion of Japan's archive-related measures, considering the central role the NDL has been playing in the field of publications, the NDL is expected to continue to improve its collection of various documents and to encourage digital archiving as well as the proper use of such archives while collaborating with the related ministries and agencies.

Preparing an environment for promoting the effective use of archives

- In order to promote the effective use of archives, the Government of Japan will facilitate the establishment and development of a database for licensing procedures, clarification of conditions of use in order to utilize archives, preparation of functionalities of contacts for consultation for the use of archives and licensing procedures, and empirical efforts which contribute to promoting the use of archives (short term and medium term) (MIC, MEXT, METI).

Reviewing the copyright system to promote the effective use of archives

- In order to promote the effective use of archives by smoothing licensing procedures of the enormous quantity of past content properties, including orphan works, the Government of Japan will immediately advance consideration on how the judgment system should be, including simplification of procedures for the judgment of orphan works and simplification of procedures for reusing works for which a ruling has been made. Also, while using efforts and trends in other countries as a reference, the

Government of Japan will consider and take necessary measures to promote archiving, including the introduction of new systems (short term and medium term) (MEXT).

Accelerating efforts in the field of media arts

- In order to develop archives in the field of media arts, based on the achievements of information on works and collections that have already been prepared, the Government of Japan will accelerate efforts for fields in which future efforts for improving archives and loss of documents, such as motion-picture film and games, are becoming an issue. For motion-picture film, the Government of Japan will consider how preservation should be on the basis of progress in ultra-high-resolution technology for video recording (short term and medium term) (MEXT).

Developing base technology for archives

- The Government of Japan will promote research and technology for the base technology supporting archives, such as technology that makes it possible to effectively use archives in a cross-sectoral search system that realizes connections between archives, and technology for recording and preserving archives. In addition, the Government of Japan will advance the development of an environment for promoting efforts at each archive institution, such as organizing data for connections between archives as well as making and publicizing common external interfaces that enable access from other websites and applications (short term and medium term) (MIC, MEXT, METI).

Developing archive-related human resources

- The Government of Japan will support the development of human resources who assist archives, such as human resources who lead the establishment of archives and support the use of archives (short term and medium term) (MEXT, MIC).

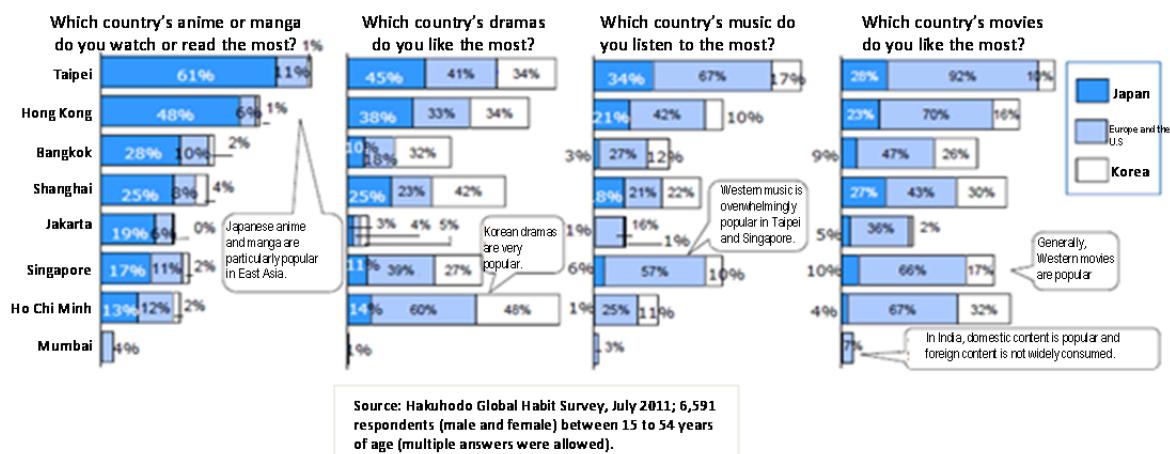
Fourth pillar: Strengthening soft power focusing on the content industry

1. Promotion of overseas development of content and cooperation with incoming business

(1) Current situation and issues

In recent years, interest in Japanese anime, movies, music, and games has been growing overseas. Such a boom of Japanese content arouses interest in other content and leads demand for the Japanese language, Japanese culture, and Japan-made products as well. Although Korean pop culture has been popular in Asian countries since the 2000s and Japanese content remained stagnant for a period of time, in recent years, Japanese content has been gaining attention again in overseas markets with media such as anime, games, and fashion. However, the reality is that Japan's overseas revenue from content and exports of content are still small compared to Japan's total exports and the size of content market, and it is necessary to lead such a flow to increase sales in foreign countries and expand the base to peripheral industries.

Situation of consuming Japanese content in major overseas cities



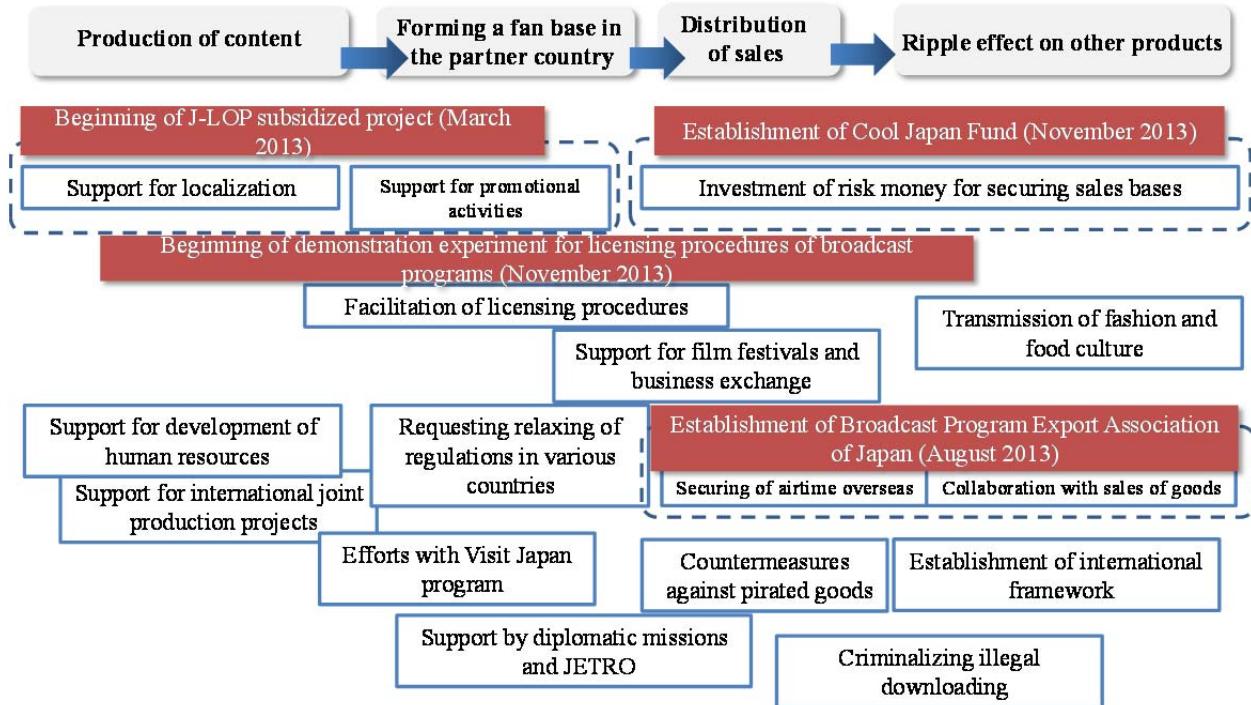
Comparison of exports and overseas revenue in main content areas with Japan's total exports

	(Unit: hundreds of millions of yen)							
	2006	2007	2008	2009	2010	2011	2012	
Exports of Japanese movies	64.3	66.2	70.8	56.3	65.6	57.6	53.0	Japan's total amount of overseas revenue for content: 453.6 billion yen
Value of shipments of home video game software	3,629	5,600	7,230	5,061	4,115	2,930	2,042	Ratio to domestic content market: 3.8%
Overseas revenue of animation production companies	312	263	248	153	172	160	144	Ratio to Japan's total exports: 0.7%
Overseas revenue of broadcast networks	88.9	91.8	92.5	75.0	62.5	63.6	63.6	Note: All figures estimated based on data of the figures for

Source: Digital Content White Paper 2013

Under such circumstances, the government is drastically expanding its support for promoting the overseas expansion of content. For example, when selling broadcast programs, such as television broadcasting, overseas, arrangements regarding licensing rights and distribution of profits between copyright holders and holders of neighboring rights (performers, producers of phonograms, and other related persons) are necessary, and in 2009 the Audiovisual Rights Management Association (aRma) was established thanks to the cooperation of relevant bodies in order to centralize licensing procedures for video performances. In addition, with regard to licensing procedures for master licenses for phonograms, a demonstration experiment for expediting licensing procedures by developing a whitelist database and formulating provisional rules began in 2013. Furthermore, as support for localization, such as providing the subtitles that are necessary for international sales of movies, television programs, and other content, and as support for on-site marketing, such as holding on-site promotion events, a support program by the Subsidy for the Localization and Promotion of Japanese Visual Media (J-LOP) was begun in 2012.

The government's support system for the overseas expansion of content



Actual income for content itself from overseas exports is still small, and to advance the overseas expansion of content for business, it is necessary to establish a structure which generates overall income, including related industries, by forming fan bases by airing broadcast programs and movies, and creating purchasing trends by fan bases not only for content but also for goods and related products. To do so, the investment of risk money by the government is essential, and Cool Japan Fund Inc. was established in November 2013. The mechanism of the investment functions of Cool Japan Fund Inc. is expected to promote projects in which Japanese content is distributed overseas together with sales of related products, for example, by buying local airtime and using it as a Japan channel.

In addition, target demographics vary depending on the content, and the ripple effect of the expansion of fan bases changes as well. Therefore, in order to take more effective measures, detailed analysis is required based on the current conditions of each content field, country, or region. In the past, the effects of content that had obtained a certain reputation in Japan going on to obtain fan bases overseas were often seen. However, for the development of the future content industry, apart from overseas expansion via such a route, it is necessary to newly produce content targeting fan bases in particular countries through understanding the needs of overseas fans. Specifically, with the rapid progress of the propagation of information via information on the Web and social networking services (SNSs), receiving support overseas first, before gaining support in Japan, or how to fulfill the need that overseas fans also want to enjoy the latest content in Japan at the same time as Japanese fans, are keys to success in overseas markets. Thus, it is necessary to assess

both domestic demand and overseas needs from the production process of works. This is also considered to be a response to measures for the Japanese content industry to break away from a dependence on the domestic market, which is shrinking due to the aging population and declining birth rate, and to establish a sustainable reproduction process that can earn money widely in international markets, and to lead to the expansion of the industry.

(2) Measures to be taken in the future

For considering issues for promoting the overseas expansion of content, the Intellectual Property Strategy Headquarters chose the music industry as a representative field of content that is actively working on overseas expansion and domestic attraction, and held discussions at the Verification, Evaluation, and Planning Committee. The Headquarters also established a task force under the Committee for the international expansion of the music industry and held intensive discussions. Items listed below are matters that are expected to be realized as support measures by the government in order to solve each of issues for international expansion that were proposed at the task force.

Support for promotional activities and the establishment of bases overseas

- Support for securing airtime on overseas broadcast networks
- Expansion of support for conducting promotional activities overseas
- Support for establishing local bases overseas
- Support for creating a comprehensive database
- On-site support activities by diplomatic missions and JETRO
- Promotion of cultural exchange through collaborative performances with local artists

Investigations of overseas markets

- Trend surveys on music markets by country
- Surveys on trends in Europe and the U.S., and Korea

Collaboration with inbound flows

- Acceleration of attraction of visitors to Japan
- PR activities in foreign countries through working together with the Visit Japan program
- Preparation for an environment to welcome foreign tourists in Japan
- Securing concert venues in Japan
- Developing comprehensive facilities for entertainment

Development of human resources

- Support for language education for artists and managers
- Provision of opportunities to perform for young artists aiming to expand overseas
- Promotion of cooperation between universities and industry with regard to overseas copyright systems and business conditions

Improvement of systems for protecting rights overseas and countermeasures against pirated goods

Regarding the discussions at the task force noted above, the government and industry are continuing to set up regular meetings and follow up on measures. It is desirable for the discussions in the music industry to be developed horizontally to other content fields as well.

Based on the current situation and issues described above, with regard to promoting the overseas expansion of content and collaboration with inbound flows, the following approaches will be promoted by the related ministries and agencies.

Expanding support for localization and promotional activities overseas

- In order to promote the overseas expansion of Japanese content, including television programs, movies, music, and anime, through the J-LOP, the Government of Japan will continue its support for providing subtitles and dubbing (localization), and for marketing at trade fairs as well as events in foreign countries (promotional activities). In addition, while using opinions from users as a reference, the Government of Japan will enhance the functionalities of matching between business operators and consulting for business operators (short term and medium term) (MIC, METI).

Promoting integrated measures for content in different fields

- In order to improve the power of the Japan brand in foreign countries by making Japanese content connect with fashion, food culture, and tourism, the Government of Japan will integrally put into effect the utilization of overseas broadcast programs and networks, securing cooperation between events in foreign countries, and support for companies carrying out overseas expansion. In addition, the Government of Japan will provide opportunities for related persons in the public and private sectors to exchange opinions and to interact in order to collaborate with support measures by the government and public institutions (short term and medium term) (Cabinet Secretariat, related ministries and agencies).

Promoting the overseas expansion of broadcast programs

- While fully utilizing the functionality of the BEAJ, which was established in August 2013 as a cross-functional organization for cooperation between the public and private sectors, the Government of Japan will take necessary measures to promote the airing and distribution of Japanese broadcasting content in foreign countries (short term and medium term) (MIC, MOFA).

Overseas expansion through collaboration between broadcast programs and other industries

- In order to gain synergistic effects for creating brands overseas with collaboration between broadcast programs and other content as well as peripheral industries, for example, the Government of Japan will promote the implementation of overseas projects, sharing of information, and personal exchanges through collaboration among relevant institutions, such as the BEAJ and Cool Japan Fund Inc., and will provide support to facilitate cooperation among industries (short term and medium term) (MIC, METI).

Promoting secondary use by smoothing licensing procedures

- In order to further enhance efforts for smoothing licensing procedures for broadcast programs, with regard to centralized licensing procedures by aRma, the Government of Japan will establish a system for collecting and distributing royalties and enhance its functionality as a centralized contact (short term and medium term) (MIC, MEXT).

Licensing procedures for broadcast programs with international sales assumed from the beginning

- Given the importance of conducting licensing procedures by assuming international sales from the beginning for the overseas expansion of broadcast programs, the Government of Japan will implement an experimental approach for licensing procedures for performers and master licenses for phonograms aiming at particular programs which are scheduled to expand overseas (short term and medium term) (MIC).

Marketing research and development of businesses overseas with unified efforts by the public and private sectors

- In Asian emerging nations where interest in Japanese content is growing and which are promising as a market, the Government of Japan will support efforts for establishing local bases in order to improve the effects of releases of information and activities after

collecting information on the local needs and trends in overseas countries, and will continue to provide support for corporate activities in foreign countries (short term and medium term) (Cabinet Secretariat, related ministries and agencies).

Investing risk money for overseas expansion

- In order to lead to comprehensive expansion of exports through collaboration between Japanese content and other industries in foreign countries, the Government of Japan will continue to provide support, including the investment of risk money by Cool Japan Fund Inc. (short term and medium term) (METI).

Abolishing regulations on foreign programs overseas

- Based on the fact that regulations exist in foreign countries on the import of foreign content, such as movies, broadcast programs, manga, and anime, and the domestic broadcasting of such content, in bilateral and multilateral discussions, negotiations, and communication by the public and private sectors, the Government of Japan will request the relaxation or abolishment of such regulations and will continue to approach such countries to realize the free circulation of Japanese content (short term) (MOFA, METI, MIC, MEXT).

Developing international human resources, such as creators and producers

- For developing artists, managers, and engineers who can be active overseas, the Government of Japan will aim to promote personal exchanges and language study by the private sector, and to facilitate collaboration with universities and professional training colleges. In addition, in order to develop creators and producers who can be active internationally, the Government of Japan will provide opportunities to study abroad and take overseas training, and support efforts for employing such human resources in higher positions in Japan (short term and medium term) (MEXT, METI) [shown again].

Promoting international joint production projects

- In order to increase local acceptance of Japanese content, the Government of Japan will provide support for not only one-sided releases of Japanese content overseas, but also international creation and communication activities, such as program production activities according to local cultures and needs, and international joint production projects with local broadcast networks (short term) (METI, MEXT, MIC).

Support for holding international trade fairs

- In order to expand opportunities to release Japanese content for overseas fans and buyers, the Government of Japan will support holding international film festivals and international trade fairs that take place in Japan, such as the Tokyo International Film Festival and Japan Content Showcase (short term and medium term) (METI, MEXT, MOFA).

Supporting development of overseas bodies for licensing procedures

- In order to secure rights income overseas and lower the business risk of the Japanese content industry, the Government of Japan will support local centralized rights management bodies and the development of the abilities of government authorities to implement copyright systems. In addition, the Government of Japan will promote exchanges between local related persons, such as government authorities and private corporations, and the Japanese government as well as content business operators, and will facilitate rights protection in foreign countries (short term and medium term) (MEXT, METI).

Promoting unified countermeasures against counterfeits and pirated goods, and measures for the circulation of genuine goods overseas

- The Government of Japan will further enhance enforcement activities, including cracking down on counterfeits and pirated goods in countries where infringements have occurred, through unified efforts by the public and private sectors, and integrally promote efforts to facilitate the circulation of genuine content (short term) (related ministries and agencies).
- In order to promote the effective protection of the intellectual property of companies in countries where infringements occur, the Government of Japan will actively facilitate efforts, including conducting surveys and providing information on the intellectual property systems in countries where infringements occur, and will carry out public awareness activities toward preventing the circulation of infringing content (short term) (METI, MEXT, MOFA).

*Details of measures for countermeasures against counterfeits and pirated products will be described later.

Establishing platforms to provide content

- In order to ensure the global circulation and the proper protection of Japanese content, the Government of Japan will provide support for efforts regarding the establishment of platforms for introducing content in a cross-sectoral manner. In addition, the

Government of Japan will provide support as necessary to promote efforts by the private sector towards the establishment of a database for content and the introduction of a management system for internationally standardized content (short term and medium term) (METI, MIC, MEXT) [shown again].

Collaboration with inbound measures

- In order to advance attracting fans of Japanese content and film location shoots from overseas, together with efforts for the 2020 Summer Olympics and Paralympics in Tokyo, the Government of Japan will take necessary measures, such as the promotion of regional resources, fashion, and food culture, and facilitation of the Visit Japan program including the availability of halal foods (short term) (Cabinet Secretariat, METI, MIC, Ministry of Land, Infrastructure, Transport and Tourism [MLIT], Ministry of Agriculture, Forestry and Fisheries of Japan [MAFF], MEXT, MOFA).

Locally based creation of content and its release overseas

- The Government of Japan will prepare development hubs to create world-class content through integrating local content-related industries, combining with Japanese traditions and culture, and attracting creators from overseas, and will support efforts of local governments and the private sector for releasing such content overseas (short term) (MEXT, METI).

Formulating strategies in other genres of content

- While advancing efforts for promoting the international expansion of the music industry, the Government of Japan will provide support as necessary in order for considerations to be promoted in other genres of content as well, such as cooperation among industries and formulation of strategies for international expansion based on targeted countries and conditions specific to categories of business (short term) (Cabinet Secretariat, related ministries and agencies).

2. Countermeasures against counterfeits and pirated goods

(1) Current situation and issues

The damage caused by counterfeits and pirated goods remains a serious situation and early detection of infringements as well as enhancement of initial countermeasures are absolutely important. With the aim of strengthening collaboration for realizing the ascertaining of extensive information and prompt decision-making with regard to domestic and international content infringements, in December 2013, the locations of the secretariats of the Anti Counterfeiting Association (ACA) and Content Overseas Distribution Association (CODA) were merged. Furthermore, for training seminars for personnel of regulatory bodies in countries where copyright infringement occurs and educational events for local consumers, efforts have been promoted for expanding the countries targeted for countermeasures against infringements. In addition to the previous venue (China), in 2013, such seminars and events were held in Indonesia for the first time.

In the report on the task force for the international expansion of the music industry held under the Verification, Evaluation, and Planning Committee, which was summarized in April 2014, in order to further promote support projects for improving the abilities of local rights management bodies in foreign countries, together with improving overseas rights protection systems, the necessity of countermeasures against pirated goods was suggested. In addition, thanks to the revision of the Copyright Act for the establishment of publication rights responding to e-books, countermeasures against pirated goods, such as manga, regarding publication on the Internet have improved. Taking advantage of this, it is expected that the private and public sectors will further strengthen their cooperation and enhance strategic, unified efforts for the effective elimination of infringing websites, directing to genuine versions of content, and other issues.

In the negotiations for the Trans-Pacific Partnership (TPP) Agreement, which Japan officially joined in July 2013, negotiations on multilateral agreements including the ongoing negotiations on the China-Japan-South Korea Free Trade Agreement and the Regional Comprehensive Economic Partnership, and negotiations on bilateral Economic Partnership Agreements with various countries, countermeasures against counterfeits and pirated goods, preparation of the intellectual property system, and securing effective law enforcement are treated as important matters. In parallel with these negotiations, it is

necessary to continue to approach each country for the early enactment of the Anti-Counterfeiting Trade Agreement (ACTA).

In Japan, the damage caused by counterfeits and pirated goods still occurs to a certain extent and steady implementation of measures, including the enhancement of domestic crackdowns such as border controls, is required.

Countermeasures against counterfeits and pirated goods are related to the overseas expansion of content, and measures to promote them both should be worked on as being inseparable, and based on such conditions described above, it is necessary to take active measures.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to countermeasures against counterfeits and pirated goods, the following approaches will be promoted by the related ministries and agencies.

Promoting unified countermeasures against counterfeits and pirated goods, and expansion of the circulation of genuine goods overseas

- In order to enhance countermeasures against counterfeits and pirated goods, the Government of Japan will work to further intensify enforcement activities, including cracking down on counterfeits and pirated goods in countries where infringements have occurred, through unified efforts by the public and private sectors, and in affiliation with other countries. Towards the elimination of fake brand-name goods and illegal content on the Internet, the Government of Japan will facilitate the efforts of the private sector, such as raising users' awareness through voluntary action with cooperation between Internet service providers and rights holders, as well as by using security software. In addition, the Government of Japan will take necessary measures for more effective enforcement methods to be implemented by advancing measures for preventing the occurrence and expansion of damage to consumers (short term) (MOFA, METI, MIC, MEXT, NPA, MOF, MAFF, Consumer Affairs Agency [CAA]).
- By providing support for establishing relationships between overseas Internet site operators and domestic content rights holders, the Government of Japan will integrally promote the elimination of illegal content on the Internet and the circulation of genuine versions of content (short term) (METI).
- In order to protect copyrights and prevent the circulation of illegal content, which can contribute to enhancing support for countermeasures against content infringements, the Government of Japan will support public awareness activities for copyrights by the governments of countries where infringements occur, with cooperation between the public and private sectors (short term) (MEXT).

- In order to promote the effective protection of the intellectual property of companies in countries where infringements occur, the Government of Japan will actively facilitate efforts, including conducting surveys and providing information on the intellectual property systems in countries where infringements occur, and will carry out public awareness activities toward preventing the circulation of infringing content (short term) (METI, MEXT, MOFA) [shown again].

Supporting development of overseas bodies for licensing procedures

- In order to secure rights income overseas and lower the business risk of the Japanese content industry, the Government of Japan will support local centralized rights management bodies and the development of the abilities of government authorities to implement copyright systems. In addition, the Government of Japan will promote exchanges between local related persons, such as government authorities and private corporations, and the Japanese government as well as content business operators, and will facilitate rights protection in foreign countries (short term and medium term) (MEXT, METI) [shown again].

Enhancing global countermeasures against counterfeits and pirated goods

- With regard to the ACTA, in order to enhance the effectiveness of global countermeasures against counterfeits and pirated goods, the Government of Japan will continue to approach other countries for participation in the ACTA, focusing on the signatories, and will aim for the early enactment of the Agreement. In addition, the Government of Japan will promote efforts for enhancing the enforcement methods of each country, such as actively raising the issue of strengthening the protection of intellectual property in bilateral economic consultations (short term) (MOFA, METI, MEXT, MAFF, MIC, MOJ, MOF).

Utilizing trade-related agreements

- Through bilateral and multilateral agreements, including FTAs and EPAs, the Government of Japan will work to solve international problems and make improvements in such problems. In particular, with regard to the TPP Agreement, the Government of Japan will pursue the best outcome for the sake of our national interests, taking into consideration opinions and comments from related persons, including industry (short term and medium term) (Cabinet Secretariat, MOFA, METI, MAFF, MEXT, MOF).

Intensifying domestic crackdowns

- In order to further intensify border controls for counterfeits and pirated goods as well as cracking down on them domestically, while nationwide customs agents and the police intensively crack down on counterfeits and pirated goods, the Government of Japan will further enhance our affiliation with rights holders towards suspending the importation of goods that violate intellectual property rights, which are diminishing in quantity and

becoming more dispersed. Regarding geographical indications, which are names of foods as well as agricultural and fishery products that have obtained national registration, the Government of Japan will introduce a system to protect these indications by eliminating their unauthorized use. Furthermore, the Government of Japan will promote educational activities regarding counterfeits and pirated goods towards further nurturing public awareness of not tolerating the purchase of counterfeits (short term) (MOF, NPA, METI, MEXT, MAFF, CAA).

3. Human resources development in the content industry

(1) Current situation and issues

In order to strengthen Japan's soft power and lead it to economic growth, it is necessary to develop human resources who can produce content with a view to overseas expansion. In the Vision, measures for expanding the base of the creator population, raising young creators, and developing creators and producers who can be active internationally were proposed.

At the task force for the international expansion of the music industry held under the Verification, Evaluation, and Planning Committee, in its April 2014 summary, since developing and securing human resources who support such expansion is necessary for advancing the international expansion of music, specific recommendations about measures for developing global human resources were made, such as expanding the government's support for language education and liaison with universities, developing an environment towards the mobility of human resources, and providing opportunities to perform for young artists aiming for overseas expansion together with voluntary efforts for developing human resources among the music industry.

In addition, at the task force for archives held under the Committee, in the summary of the discussions, it was pointed out that in order to promote the effective use of archives, developing and securing archive-related human resources are necessary, such as experts who have knowledge of both cultural materials and information technology.

Based on such recommendations described above, the Government of Japan will develop the relevant systems in harmony with the progress of the digital network society and will prepare a comprehensive environment to develop human resources who take the lead in the fields of content and archives.

(2) Measures to be taken in the future

Based on the current situation and issues described above, with regard to human resources development in the content industry, the following approaches will be promoted by the related ministries and agencies.

Developing international human resources, such as creators and producers

- For developing artists, managers, and engineers who can be active overseas, the Government of Japan will aim to promote personal exchanges and language study by the private sector, and to facilitate collaboration with universities and professional training colleges. In addition, in order to develop creators and producers who can be active internationally, the Government of Japan will provide opportunities to study abroad and take overseas training, and support efforts for employing such human resources in higher positions in Japan (short term and medium term) (MEXT, METI) [shown again].
- With regard to strengthened projects for developing creators by making use of an industry-academia collaboration consortium involving professional training colleges, universities, and industry organizations, the Government of Japan will provide support for promoting efforts for developing human resources by the private sector, such as conducting demonstration experiments based on the results of curriculum development conducted in FY2013 (short term and medium term) (MEXT).

Developing human resources for archives

- The Government of Japan will support the development of human resources who assist archives, such as human resources who lead the establishment of archives and support the use of archives (short term and medium term) (MEXT) [shown again].

Nurturing young creators

- In order to promote nurturing young creators, the Government of Japan will introduce a system of commendation for young people who are engaged in the creation and dissemination of works at content production sites, including manufacturing and craft production, and will provide them with opportunities for the production and exhibition of their works (short term) (MEXT).
-

Establishing an environment for content production and trade normalization

- In order to establish an environment in which reasonable benefits produced by business activities are returned to content production sites, and in order to normalize trade, the Government of Japan will strictly enforce the Anti-Monopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. We will also promote public awareness of the guidelines for the normalization of trade in content production concerning the production work engaged in by creators, considering the importance of improving the content production environment and with the aim of normalizing trade (short term and medium term) (Fair Trade Commission, MIC, METI).